



Minnesota Energy Resources Corporation  
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1995 Rahncliff Court  
Eagan, MN 55122  
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November 30, 2016

**VIA ELECTRONIC FILING**

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

Re: Minnesota Energy Resources Corporation's 30-Day Compliance Filing

In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota, Docket No. G011/GR-15-736

Dear Mr. Wolf:

Minnesota Energy Resources Corporation ("MERC" or the "Company") submits this Compliance Filing in accordance with the Minnesota Public Utilities Commission's ("Commission") October 31, 2016, Findings of Fact, Conclusions, and Order ("Order") in the above-referenced Docket. The Order required that within 30 days, MERC submit the following<sup>1</sup>:

- a. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the information listed below. This information is included in Schedule A, attached here. MERC also includes on the last page of Schedule A, a rate design apportionment spreadsheet for the Minnesota Department of Commerce's ("Department") and the Commission's convenience.
  - i. Breakdown of Total Operating Revenues by type;
  - ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of natural gas. These schedules shall include but not be limited to
    1. Total revenue by customer class;

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<sup>1</sup> Order Point 18 of the Commission's Order.

2. Total number of customers, the customer charge, and total customer-charge revenue by customer class; and
  3. For each customer class, the total number of commodity- and demand-related billing units, the per-unit commodity and demand cost of gas, the non-gas margin, and the total commodity- and demand-related sales revenues.
- b. Revised tariff sheets incorporating authorized rate-design decisions. Clean and redline versions of MERC's tariff sheets are included as Schedule B, attached here. It should be noted that tariff sheets 7.03-7.08 are updated monthly with MERC's Purchased Gas Adjustment filings. Sheet No. 7.07 reflects the updated base cost of gas.

In accordance with Ordering Paragraph 15.b. MERC has included language in Tariff Sheet No. 7.19 to revise its tariffs regarding its pilot revenue-decoupling program. Because the Commission's Order authorizes MERC to continue its current decoupling pilot for an additional three years without change, the only changes reflect the timeline of annual filings and timeline of the decoupling pilot.

In addition, the Commission's Order approved the uncontested tariff amendments proposed by MERC in this proceeding to clarify the applicable rules and processes governing Transportation service, to require Transportation customers to install telemetry equipment before receiving service, to allow authorized parties to request up to 24 months of nonresidential customer-usage history at no charge, and to otherwise amend its tariff to reflect the decisions made in this proceeding.

Finally, the Commission's Order required MERC to either revise the Wisconsin Public Service ("WPS") waiver language relating to notice requirements for switching service classes, or propose new waiver language that would permit MERC to grant a waiver from its notice requirements for granting service class change for a customer where the waiver does not cause any detriment to existing system sales customers. The waiver should be limited to customers facing unforeseen circumstances so that it is not used by a customer who could have requested a waiver prior to the normal August 1 deadline. MERC has proposed revisions to its Tariff Sheet Nos. 5.11, 5.15, 5.19, 5.20, 5.24, 5.31-5.32, 5.50, 6.01-6.02, 6.20, 6.21, 6.25, 6.26, and Service Agreements (Small Volume Interruptible Natural Gas Sales Agreement, Small Volume Transportation Service Agreement, Small Joint Firm/Interruptible Natural Gas Sales Agreement, Large Volume Interruptible

Natural Gas Sales Agreement, Large Volume Transportation Service Agreement, Large Joint Firm/Interruptible Gas Sales Agreement, and Super Large Volume Transportation Service Agreement in compliance with the Commission's Order.

- c. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing. These notices are included in Schedule C, attached here. Because the average interim refund will not be known until final rates are implemented, there is currently a placeholder for the average residential customer refund. Based on current estimates, MERC projects this average to be approximately \$9.00 for an average residential customer across all PGAs. MERC will include the average refund amount in the final notices. MERC is in the process of incorporating feedback from PUC staff and will submit revised notices once those additional changes are incorporated. In accordance with Ordering Paragraph 2 of the Commission's January 12, 2016 Order Authorizing Donation of Certain Interim-Rate Refunds with Conditions in Docket No. G011/GR-13-617, MERC has included a statement informing customer of the Department's website on unclaimed property.
- d. A revised base cost of gas, supporting schedules, and revised fuel-adjustment tariffs to be in effect on the date final rates are implemented. MERC includes this filing again as Schedule D, attached here. The Commission adopted the Administrative Law Judge's Finding 729 and required MERC to update its commodity cost of gas to the April 12, 2016 compliance filing levels in its final compliance filing for the general rate case. Schedule D is the same schedules submitted by MERC on April 12, 2016, as ordered by the Commission for approval.
- e. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented. This information is included in Schedule E, attached here.
- f. A computation of the Conservation Cost Recovery Charge ("CCRC") based on the decisions made herein. Schedule F provides the computation of MERC's updated CCRC of \$0.02767, based on the Commission's Order regarding the approved level of CIP expense and approved level of sales. Additionally, the Commission's Order requires that MERC provide a schedule detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective. This information is included in Schedule G.

- g. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates, including interest to affected customers. This proposal is included in Schedule H, attached here. Additionally, in accordance with the Commission's January 12, 2016 Order Authorizing Donation of Certain Interim-Rate Refunds with Conditions in Docket No. G011/GR-13-617, MERC has provided additional detail in Schedule H including: (1) a brief narrative that describes the refunding process and data; (2) steps taken to return amounts to inactive customers; and (3) a description of the steps MERC has taken, or is planning to take, to prevent the types of errors that occurred in MERC's interim-rate-refund process in MERC's 2013 Rate Case.

The following Schedules are attached to this compliance filing as described above:

**Schedule A** – Revised Schedule of Rates and Rate Design Apportionment

**Schedule B** – Redlined and Clean versions of tariff sheets

**Schedule C** – Proposed Customer Notices

**Schedule D** – Base Cost of Gas

**Schedule E** – Summary of Rate Riders and Charges

**Schedule F** – Revised CCRC Calculation

**Schedule G** – CIP Tracker

**Schedule H** – Interim Refund Plan assuming that final rates go into effect on February 1, 2017 and Interim rates are refunded beginning in April of 2017.

Please contact me at (651) 322-8965 if you have any questions regarding the information in this filing.

Sincerely yours,

/s/ Amber S. Lee

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

Enclosures

cc: Service List

**Schedule A**  
Revised Schedule of Rates and Charges

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**RATES BY CUSTOMER CLASS**  
**CURRENTLY AUTHORIZED MONTHLY FIXED CHARGES, DAILY FIRM CAPACITY CHARGES, AND PER THERM DISTRIBUTION RATES**

MERC Customer Class	Fixed Local Distribution Service (Monthly)	Enhanced Administration Service (Monthly)	Total Fixed Charge (Monthly)	Daily Firm Capacity (Per Therm of Demand)	Volumetric Local Distribution Service (All Therms)	CCRC (All Therms)	Total Per Therm Rate (All Therms)
<b>NNG SALES</b>							
GS-NNG Residential Sales	\$9.50		\$9.50		\$ 0.19358	\$ 0.02448	\$ 0.21806
GS-NNG SC&I Sales	\$18.00		\$18.00		\$ 0.15668	\$ 0.02448	\$ 0.18116
GS-NNG LC&I Sales	\$45.00		\$45.00		\$ 0.14131	\$ 0.02448	\$ 0.16579
SVI-NNG Sales	\$165.00		\$165.00		\$ 0.06042	\$ 0.02448	\$ 0.08490
LVI-NNG Sales	\$185.00		\$185.00		\$ 0.02105	\$ 0.02448	\$ 0.04553
SVJ-NNG Sales	\$165.00		\$165.00	0.25000	\$ 0.06042	\$ 0.02448	\$ 0.08490
<b>CONSOLIDATED SALES</b>							
GS-CONSOLIDATED Residential Sales	\$9.50		\$9.50		\$ 0.19358	\$ 0.02448	\$ 0.21806
GS-CONSOLIDATED SC&I Sales	\$18.00		\$18.00		\$ 0.15668	\$ 0.02448	\$ 0.18116
GS-CONSOLIDATED LC&I Sales	\$45.00		\$45.00		\$ 0.14131	\$ 0.02448	\$ 0.16579
SVI-CONSOLIDATED Sales	\$165.00		\$165.00		\$ 0.06042	\$ 0.02448	\$ 0.08490
LVI-CONSOLIDATED Sales	\$185.00		\$185.00		\$ 0.02105	\$ 0.02448	\$ 0.04553
SVJ-CONSOLIDATED Sales	\$165.00		\$165.00	0.25000	\$ 0.06042	\$ 0.02448	\$ 0.08490
<b>ALBERT LEA-NNG SALES</b>							
GS-ALBERT LEA NNG Residential Sales	\$5.00		\$5.00		\$ 0.19358	\$ 0.02448	\$ 0.21806
GS-ALBERT LEA NNG SC&I Sales	\$5.00		\$5.00		\$ 0.15668	\$ 0.02448	\$ 0.18116
GS-ALBERT LEA NNG LC&I Sales	\$5.00		\$5.00		\$ 0.14131	\$ 0.02448	\$ 0.16579
SVI-ALBERT LEA NNG Sales	\$14.00		\$14.00		\$ 0.06042	\$ 0.02448	\$ 0.08490
LVI-ALBERT LEA NNG Sales	\$14.00		\$14.00		\$ 0.02105	\$ 0.02448	\$ 0.04553
<b>NNG TRANSPORT</b>							
SVI-NNG Transport	\$165.00	\$110.00	\$275.00		\$ 0.06042	\$ 0.02448	\$ 0.08490
LVI-NNG Transport - CIP Applicable	\$185.00	\$110.00	\$295.00		\$ 0.02105	\$ 0.02448	\$ 0.04553
LVI-NNG Transport - CIP Exempt	\$185.00	\$110.00	\$295.00		\$ 0.02105		\$ 0.02105
SVJ-NNG Transport	\$165.00	\$110.00	\$275.00	0.25000	\$ 0.06042	\$ 0.02448	\$ 0.08490
LVJ-NNG Transport - CIP Applicable	\$185.00	\$110.00	\$295.00	0.25000	\$ 0.02105	\$ 0.02448	\$ 0.04553
LVJ-NNG Transport - CIP Exempt	\$185.00	\$110.00	\$295.00	0.25000	\$ 0.02105		\$ 0.02105
SLVI-NNG Transport-CIP Exempt	\$350.00	\$110.00	\$460.00		\$ 0.00420		\$ 0.00420
SLVI-NNG Transport-CIP Applicable	\$350.00	\$110.00	\$460.00		\$ 0.00420	\$ 0.02448	\$ 0.02868
SLVJ-NNG Transport-CIP Exempt	\$350.00	\$110.00	\$460.00	0.06200	\$ 0.00420		\$ 0.00420
Transport for Resale	\$185.00	\$110.00	\$295.00		\$ 0.04752	\$ 0.02448	\$ 0.07200
LVJ-NNG Flex Transport (Cust "A")	\$185.00	\$110.00	\$295.00	0.25000	\$ 0.00450	\$ 0.02448	\$ 0.02898
LVI-NNG Flex Transport (Cust "B")	\$185.00	\$110.00	\$295.00		\$ 0.00500		\$ 0.00500
LVI-NNG Flex Transport (Cust "C")	\$185.00	\$110.00	\$295.00		\$ 0.00700		\$ 0.00700
LVI-NNG Flex Transport (Cust "D")	\$185.00	\$110.00	\$295.00		\$ 0.01500		\$ 0.01500
LVJ-NNG Flex Transport (Cust "E")	\$185.00	\$110.00	\$295.00	0.25000	\$ 0.01500		\$ 0.01500
LVJ-NNG Flex Transport (Cust "F")	\$185.00	\$110.00	\$295.00	0.25000	\$ 0.00637	\$ 0.02448	\$ 0.03085
LVJ-NNG Flex Transport (Cust "G")	\$185.00	\$110.00	\$295.00	0.25000	\$ 0.00552	\$ 0.02448	\$ 0.03000
<b>CONSOLIDATED TRANSPORT</b>							
SVI-CONSOLIDATED Transport	\$165.00	\$110.00	\$275.00		\$ 0.06042	\$ 0.02448	\$ 0.08490
LVI-CONSOLIDATED Transport	\$185.00	\$110.00	\$295.00		\$ 0.02105	\$ 0.02448	\$ 0.04553
SVJ-CONSOLIDATED Transport	\$165.00	\$110.00	\$275.00	0.25000	\$ 0.06042	\$ 0.02448	\$ 0.08490
LVJ-CONSOLIDATED Transport	\$185.00	\$110.00	\$295.00	0.25000	\$ 0.02105	\$ 0.02448	\$ 0.04553
SLVI-CONSOLIDATED Transport-CIP Exempt	\$350.00	\$110.00	\$460.00		\$ 0.00850		\$ 0.00850
SLVI-CONSOLIDATED Transport-CIP Applicable	\$350.00	\$110.00	\$460.00		\$ 0.00850	\$ 0.02448	\$ 0.03298
SLVJ-CONSOLIDATED Transport-CIP Exempt	\$350.00	\$110.00	\$460.00	0.06200	\$ 0.00850		\$ 0.00850
<b>ALBERT LEA-NNG TRANSPORT</b>							
SVI-ALBERT LEA Transport	\$100.00	\$110.00	\$210.00		\$ 0.06042	\$ 0.02448	\$ 0.08490
LVI-ALBERT LEA Transport	\$100.00	\$110.00	\$210.00		\$ 0.02105	\$ 0.02448	\$ 0.04553

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**RATES BY CUSTOMER CLASS**  
**PROPOSED MONTHLY FIXED CHARGES, DAILY FIRM CAPACITY CHARGES, AND PER THERM DISTRIBUTION RATES**

MERC Customer Class	Fixed Local Distribution Service (Monthly)	Enhanced Administration Service (Monthly)	Total Fixed Charge (Monthly)	Daily Firm Capacity (Per Therm of Demand)	Volumetric Local Distribution Service (All Therms)	CCRC (All Therms)	Total Per Therm Rate (All Therms)
<b>NNG SALES</b>							
GS-NNG Residential Sales	\$9.50		\$9.50		0.21349	\$ 0.02767	\$0.24116
GS-NNG SC&I Sales	\$18.00		\$18.00		0.19298	\$ 0.02767	\$0.22065
GS-NNG LC&I Sales	\$45.00		\$45.00		0.14118	\$ 0.02767	\$0.16885
SVI-NNG Sales	\$165.00		\$165.00		0.06973	\$ 0.02767	\$0.09740
LVI-NNG Sales	\$185.00		\$185.00		0.02562	\$ 0.02767	\$0.05329
SVJ-NNG Sales	\$165.00		\$165.00	0.30000	0.06973	\$ 0.02767	\$0.09740
<b>CONSOLIDATED SALES</b>							
GS-CONSOLIDATED Residential Sales	\$9.50		\$9.50		0.21349	\$ 0.02767	\$0.24116
GS-CONSOLIDATED SC&I Sales	\$18.00		\$18.00		0.19298	\$ 0.02767	\$0.22065
GS-CONSOLIDATED LC&I Sales	\$45.00		\$45.00		0.14118	\$ 0.02767	\$0.16885
SVI-CONSOLIDATED Sales	\$165.00		\$165.00		0.06973	\$ 0.02767	\$0.09740
LVI-CONSOLIDATED Sales	\$185.00		\$185.00		0.02562	\$ 0.02767	\$0.05329
SVJ-CONSOLIDATED Sales	\$165.00		\$165.00	0.30000	0.06973	\$ 0.02767	\$0.09740
<b>ALBERT LEA-NNG SALES</b>							
GS-ALBERT LEA NNG Residential Sales	\$7.25		\$7.25		\$0.21349	\$ 0.02767	\$0.24116
GS-ALBERT LEA NNG SC&I Sales	\$11.50		\$11.50		\$0.19298	\$ 0.02767	\$0.22065
GS-ALBERT LEA NNG LC&I Sales	\$25.00		\$25.00		\$0.14118	\$ 0.02767	\$0.16885
SVI-ALBERT LEA NNG Sales	\$89.50		\$89.50		\$0.06973	\$ 0.02767	\$0.09740
LVI-ALBERT LEA NNG Sales	\$99.50		\$99.50		\$0.02562	\$ 0.02767	\$0.05329
<b>NNG TRANSPORT</b>							
SVI-NNG Transport	\$170.00	\$110.00	\$280.00		\$ 0.06973	\$ 0.02767	\$ 0.09740
LVI-NNG Transport - CIP Applicable	\$190.00	\$110.00	\$300.00		\$ 0.02562	\$ 0.02767	\$ 0.05329
LVI-NNG Transport - CIP Exempt	\$190.00	\$110.00	\$300.00		\$ 0.02562		\$ 0.02562
SVJ-NNG Transport	\$170.00	\$110.00	\$280.00	0.30000	\$ 0.06973	\$ 0.02767	\$ 0.09740
LVJ-NNG Transport - CIP Applicable	\$190.00	\$110.00	\$300.00	0.30000	\$ 0.02562	\$ 0.02767	\$ 0.05329
LVJ-NNG Transport - CIP Exempt	\$190.00	\$110.00	\$300.00	0.30000	\$ 0.02562		\$ 0.02562
SLVI-NNG Transport-CIP Exempt	\$360.00	\$110.00	\$470.00		\$ 0.00448		\$ 0.00448
SLVI-NNG Transport-CIP Applicable	\$360.00	\$110.00	\$470.00		\$ 0.00448	\$ 0.02767	\$ 0.03215
SLVJ-NNG Transport-CIP Exempt	\$360.00	\$110.00	\$470.00	0.06200	\$ 0.00448		\$ 0.00448
Transport for Resale	\$190.00	\$110.00	\$300.00		\$ 0.04661	\$ 0.02767	\$ 0.07428
LVJ-NNG Flex Transport (Cust "A")	\$190.00	\$110.00	\$300.00	0.30000	\$ 0.00450	\$ 0.02767	\$ 0.03217
LVI-NNG Flex Transport (Cust "B")	\$190.00	\$110.00	\$300.00		\$ 0.00500		\$ 0.00500
LVI-NNG Flex Transport (Cust "C")	\$190.00	\$110.00	\$300.00		\$ 0.00700		\$ 0.00700
LVI-NNG Flex Transport (Cust "D")	\$190.00	\$110.00	\$300.00		\$ 0.01500		\$ 0.01500
LVJ-NNG Flex Transport (Cust "E")	\$190.00	\$110.00	\$300.00	0.30000	\$ 0.01500		\$ 0.01500
LVJ-NNG Flex Transport (Cust "F")	\$190.00	\$110.00	\$300.00	0.30000	\$ 0.00637	\$ 0.02767	\$ 0.03404
LVJ-NNG Flex Transport (Cust "G")	\$190.00	\$110.00	\$300.00	0.30000	\$ 0.00552	\$ 0.02767	\$ 0.03319
<b>CONSOLIDATED TRANSPORT</b>							
SVI-CONSOLIDATED Transport	\$170.00	\$110.00	\$280.00		\$ 0.06973	\$ 0.02767	\$ 0.09740
LVI-CONSOLIDATED Transport	\$190.00	\$110.00	\$300.00		\$ 0.02562	\$ 0.02767	\$ 0.05329
SVJ-CONSOLIDATED Transport	\$170.00	\$110.00	\$280.00	0.30000	\$ 0.06973	\$ 0.02767	\$ 0.09740
LVJ-CONSOLIDATED Transport	\$190.00	\$110.00	\$300.00	0.30000	\$ 0.02562	\$ 0.02767	\$ 0.05329
SLVI-CONSOLIDATED Transport-CIP Exempt	\$360.00	\$110.00	\$470.00		\$ 0.00873		\$ 0.00873
SLVI-CONSOLIDATED Transport-CIP Applicable	\$360.00	\$110.00	\$470.00		\$ 0.00873	\$ 0.02767	\$ 0.03640
SLVJ-CONSOLIDATED Transport-CIP Exempt	\$360.00	\$110.00	\$470.00	0.06200	\$ 0.00873		\$ 0.00873
<b>ALBERT LEA-NNG TRANSPORT</b>							
SVI-ALBERT LEA Transport	\$170.00	\$110.00	\$280.00		\$ 0.06973	\$ 0.02767	\$ 0.09740
LVI-ALBERT LEA Transport	\$190.00	\$110.00	\$300.00		\$ 0.02562	\$ 0.02767	\$ 0.05329

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**COMPARISON OF CURRENTLY AUTHORIZED & PROPOSED MONTHLY FIXED CHARGES AND DAILY FIRM CAPACITY CHARGES**

MERC Customer Class	Fixed Local Distribution Service		Enhanced Administration Service		Total Monthly Fixed Charge		Daily Firm Capacity	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
<b>NNG SALES</b>								
GS-NNG Residential Sales	\$9.50	\$9.50			\$9.50	\$9.50		
GS-NNG SC&I Sales	\$18.00	\$18.00			\$18.00	\$18.00		
GS-NNG LC&I Sales	\$45.00	\$45.00			\$45.00	\$45.00		
SVI-NNG Sales	\$165.00	\$165.00			\$165.00	\$165.00		
LVI-NNG Sales	\$185.00	\$185.00			\$185.00	\$185.00		
SVJ-NNG Sales	\$165.00	\$165.00			\$165.00	\$165.00	\$0.2500	\$0.3000
<b>CONSOLIDATED SALES</b>								
GS-CONSOLIDATED Residential Sales	\$9.50	\$9.50			\$9.50	\$9.50		
GS-CONSOLIDATED SC&I Sales	\$18.00	\$18.00			\$18.00	\$18.00		
GS-CONSOLIDATED LC&I Sales	\$45.00	\$45.00			\$45.00	\$45.00		
SVI-CONSOLIDATED Sales	\$165.00	\$165.00			\$165.00	\$165.00		
LVI-CONSOLIDATED Sales	\$185.00	\$185.00			\$185.00	\$185.00		
SVJ-CONSOLIDATED Sales	\$165.00	\$165.00			\$165.00	\$165.00	\$0.2500	\$0.3000
<b>ALBERT LEA-NNG SALES</b>								
GS-ALBERT LEA NNG Residential Sales	\$5.00	\$7.25			\$5.00	\$7.25		
GS-ALBERT LEA NNG SC&I Sales	\$5.00	\$11.50			\$5.00	\$11.50		
GS-ALBERT LEA NNG LC&I Sales	\$5.00	\$25.00			\$5.00	\$25.00		
SVI-ALBERT LEA NNG Sales	\$14.00	\$89.50			\$14.00	\$89.50		
LVI-ALBERT LEA NNG Sales	\$14.00	\$99.50			\$14.00	\$99.50		
<b>NNG TRANSPORT</b>								
SVI-NNG Transport	\$165.00	\$170.00	\$110.00	\$110.00	\$275.00	\$280.00		
LVI-NNG Transport - CIP Applicable	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
LVI-NNG Transport - CIP Exempt	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
SVJ-NNG Transport	\$165.00	\$170.00	\$110.00	\$110.00	\$275.00	\$280.00	\$0.2500	\$0.3000
LVJ-NNG Transport - CIP Applicable	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00	\$0.2500	\$0.3000
LVJ-NNG Transport - CIP Exempt	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00	\$0.2500	\$0.3000
SLVI-NNG Transport-CIP Exempt	\$350.00	\$360.00	\$110.00	\$110.00	\$460.00	\$470.00		
SLVI-NNG Transport-CIP Applicable	\$350.00	\$360.00	\$110.00	\$110.00	\$460.00	\$470.00		
SLVJ-NNG Transport-CIP Exempt	\$350.00	\$360.00	\$110.00	\$110.00	\$460.00	\$470.00	\$0.0620	\$0.0620
Transport for Resale	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
LVJ-NNG Flex Transport (Cust "A")	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00	\$0.2500	\$0.3000
LVI-NNG Flex Transport (Cust "B")	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
LVI-NNG Flex Transport (Cust "C")	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
LVI-NNG Flex Transport (Cust "D")	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
LVJ-NNG Flex Transport (Cust "E")	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00	\$0.2500	\$0.3000
LVJ-NNG Flex Transport (Cust "F")	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
LVJ-NNG Flex Transport (Cust "G")	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
<b>CONSOLIDATED TRANSPORT</b>								
SVI-CONSOLIDATED Transport	\$165.00	\$170.00	\$110.00	\$110.00	\$275.00	\$280.00		
LVI-CONSOLIDATED Transport	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00		
SVJ-CONSOLIDATED Transport	\$165.00	\$170.00	\$110.00	\$110.00	\$275.00	\$280.00	\$0.2500	\$0.3000
LVJ-CONSOLIDATED Transport	\$185.00	\$190.00	\$110.00	\$110.00	\$295.00	\$300.00	\$0.2500	\$0.3000
SLVI-CONSOLIDATED Transport-CIP Exempt	\$350.00	\$360.00	\$110.00	\$110.00	\$460.00	\$470.00		
SLVI-CONSOLIDATED Transport-CIP Applicable	\$350.00	\$360.00	\$110.00	\$110.00	\$460.00	\$470.00		
SLVJ-CONSOLIDATED Transport-CIP Exempt	\$350.00	\$360.00	\$110.00	\$110.00	\$460.00	\$470.00		
<b>ALBERT LEA-NNG TRANSPORT</b>								
SVI-ALBERT LEA Transport	\$100.00	\$170.00	\$110.00	\$110.00	\$210.00	\$280.00		
LVI-ALBERT LEA Transport	\$100.00	\$190.00	\$110.00	\$110.00	\$210.00	\$300.00		



**MINNESOTA ENERGY RESOURCES CORPORATION**  
**COMPARISON OF CURRENTLY AUTHORIZED & PROPOSED PER THERM RATES**

MERC Customer Class	Volumetric Local Distribution Service		CCRC		Total Per Therm Rate	
	Current	Proposed	Current	Proposed	Current	Proposed
<b>NNG SALES</b>						
GS-NNG Residential Sales	0.19358	0.21349	0.02448	0.02767	0.21806	0.24116
GS-NNG SC&I Sales	0.15668	0.19298	0.02448	0.02767	0.18116	0.22065
GS-NNG LC&I Sales	0.14131	0.14118	0.02448	0.02767	0.16579	0.16885
SVI-NNG Sales	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVI-NNG Sales	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329
SVJ-NNG Sales	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
<b>CONSOLIDATED SALES</b>						
GS-CONSOLIDATED Residential Sales	0.19358	0.21349	0.02448	0.02767	0.21806	0.24116
GS-CONSOLIDATED SC&I Sales	0.15668	0.19298	0.02448	0.02767	0.18116	0.22065
GS-CONSOLIDATED LC&I Sales	0.14131	0.14118	0.02448	0.02767	0.16579	0.16885
SVI-CONSOLIDATED Sales	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVI-CONSOLIDATED Sales	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329
SVJ-CONSOLIDATED Sales	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
<b>ALBERT LEA-NNG SALES</b>						
GS-ALBERT LEA NNG Residential Sales	0.19358	0.21349	0.02448	0.02767	0.21806	0.24116
GS-ALBERT LEA NNG SC&I Sales	0.15668	0.19298	0.02448	0.02767	0.18116	0.22065
GS-ALBERT LEA NNG LC&I Sales	0.14131	0.14118	0.02448	0.02767	0.16579	0.16885
SVI-ALBERT LEA NNG Sales	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVI-ALBERT LEA NNG Sales	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329
<b>NNG TRANSPORT</b>						
SVI-NNG Transport	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVI-NNG Transport - CIP Applicable	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329
LVI-NNG Transport - CIP Exempt	0.02105	0.02562			0.02105	0.02562
SVJ-NNG Transport	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVJ-NNG Transport - CIP Applicable	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329
LVJ-NNG Transport - CIP Exempt	0.02105	0.02562			0.02105	0.02562
SLVI-NNG Transport-CIP Exempt	0.00420	0.00448			0.00420	0.00448
SLVI-NNG Transport-CIP Applicable	0.00420	0.00448	0.02448	0.02767	0.02868	0.03215
SLVJ-NNG Transport-CIP Exempt	0.00420	0.00448			0.00420	0.00448
Transport for Resale	0.04752	0.04661	0.02448	0.02767	0.07200	0.07428
LVJ-NNG Flex Transport (Cust "A")	0.00450	0.00450	0.02448	0.02767	0.02898	0.03217
LVI-NNG Flex Transport (Cust "B")	0.00500	0.00500			0.00500	0.00500
LVI-NNG Flex Transport (Cust "C")	0.00700	0.00700			0.00700	0.00700
LVI-NNG Flex Transport (Cust "D")	0.01500	0.01500			0.01500	0.01500
LVJ-NNG Flex Transport (Cust "E")	0.01500	0.01500			0.01500	0.01500
LVJ-NNG Flex Transport (Cust "F")	0.00637	0.00637	0.02448	0.02767	0.03085	0.03404
LVJ-NNG Flex Transport (Cust "G")	0.00552	0.00552	0.02448	0.02767	0.03000	0.03319
<b>CONSOLIDATED TRANSPORT</b>						
SVI-CONSOLIDATED Transport	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVI-CONSOLIDATED Transport	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329
SVJ-CONSOLIDATED Transport	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVJ-CONSOLIDATED Transport	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329
SLVI-CONSOLIDATED Transport-CIP Exempt	0.00850	0.00873			0.00850	0.00873
SLVI-CONSOLIDATED Transport-CIP Applicable	0.00850	0.00873	0.02448	0.02767	0.03298	0.03640
SLVJ-CONSOLIDATED Transport-CIP Exempt	0.00850	0.00873			0.00850	0.00873
<b>ALBERT LEA-NNG TRANSPORT</b>						
SVI-ALBERT LEA Transport	0.06042	0.06973	0.02448	0.02767	0.08490	0.09740
LVI-ALBERT LEA Transport	0.02105	0.02562	0.02448	0.02767	0.04553	0.05329



**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

<b>GS-NNG Residential Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	2,025,847	\$9.50	19,245,547	2,025,847	\$9.50	19,245,547	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	146,482,997	\$0.19358	28,356,179	146,482,997	\$0.21349	31,272,655	2,916,476	10.3%
CCRC	146,482,997	\$0.02448	3,585,904	146,482,997	\$0.02767	4,053,185	467,281	13.0%
Cost of Gas	146,482,997	\$0.41887	61,357,333	146,482,997	\$0.41545	60,856,361	(500,972)	-0.8%
<b>TOTAL</b>			<b>112,544,962</b>			<b>115,427,747</b>	<b>2,882,785</b>	<b>2.6%</b>
<b>GS-NNG SC&amp;I Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	101,342	\$18.00	1,824,156	101,342	\$18.00	1,824,156	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	8,598,725	\$0.15668	1,347,248	8,598,725	\$0.19298	1,659,382	312,134	23.2%
CCRC	8,598,725	\$0.02448	210,497	8,598,725	\$0.02767	237,927	27,430	13.0%
Cost of Gas	8,598,725	\$0.41887	3,601,748	8,598,725	\$0.41545	3,572,340	(29,408)	-0.8%
<b>TOTAL</b>			<b>6,983,649</b>			<b>7,293,805</b>	<b>310,156</b>	<b>4.4%</b>
<b>GS-NNG LC&amp;I Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	94,350	\$45.00	4,245,750	94,350	\$45.00	4,245,750	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	69,975,513	\$0.14131	9,888,240	69,975,513	\$0.14118	9,879,143	(9,097)	-0.1%
CCRC	69,975,513	\$0.02448	1,713,001	69,975,513	\$0.02767	1,936,222	223,222	13.0%
Cost of Gas	69,975,513	\$0.41887	29,310,643	69,975,513	\$0.41545	29,071,327	(239,316)	-0.8%
<b>TOTAL</b>			<b>45,157,633</b>			<b>45,132,442</b>	<b>(25,191)</b>	<b>-0.1%</b>
<b>SVI-NNG Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	3,544	\$165.00	584,760	3,544	\$165.00	584,760	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	17,591,624	\$0.06042	1,062,886	17,591,624	\$0.06973	1,226,664	163,778	15.4%
CCRC	17,591,624	\$0.02448	430,643	17,591,624	\$0.02767	486,760	56,117	13.0%
Cost of Gas	17,591,624	\$0.32661	5,745,600	17,591,624	\$0.32257	5,674,530	(71,070)	-1.2%
<b>TOTAL</b>			<b>7,823,889</b>			<b>7,972,714</b>	<b>148,825</b>	<b>1.9%</b>
<b>LVI-NNG Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	706	\$185.00	130,610	706	\$185.00	130,610	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	10,540,614	\$0.02105	221,880	10,540,614	\$0.02562	270,051	48,171	21.7%
CCRC	10,540,614	\$0.02448	258,034	10,540,614	\$0.02767	291,659	33,625	13.0%
Cost of Gas	10,540,614	\$0.32661	3,442,670	10,540,614	\$0.32257	3,400,086	(42,584)	-1.2%
<b>TOTAL</b>			<b>4,053,194</b>			<b>4,092,405</b>	<b>39,211</b>	<b>1.0%</b>
<b>SVJ-NNG Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	36	\$165.00	5,940	36	\$165.00	5,940	0	0.0%
Daily Firm Capacity	11,400	\$0.25000	2,850	11,400	\$0.30000	3,420	570	20.0%
Dist. Per Therm (less CCRC)	162,272	\$0.06042	9,804	162,272	\$0.06973	11,315	1,511	15.4%
CCRC	162,272	\$0.02448	3,972	162,272	\$0.02767	4,490	518	13.0%
Cost of Gas	162,272	\$0.32661	53,000	162,272	\$0.32257	52,344	(656)	-1.2%
<b>TOTAL</b>			<b>75,567</b>			<b>77,509</b>	<b>1,943</b>	<b>2.6%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

**GS-CONSOLIDATED Residential Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	352,647	\$9.50	3,350,147	352,647	\$9.50	3,350,147	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	25,150,501	\$0.19358	4,868,634	25,150,501	\$0.21349	5,369,380	500,746	10.3%
CCRC	25,150,501	\$0.02448	615,684	25,150,501	\$0.02767	695,914	80,230	13.0%
Cost of Gas	25,150,501	\$0.34787	8,749,105	25,150,501	\$0.34787	8,749,105	0	0.0%
<b>TOTAL</b>			<b>17,583,570</b>			<b>18,164,546</b>	<b>580,977</b>	<b>3.3%</b>

**GS-CONSOLIDATED SC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	31,777	\$18.00	571,986	31,777	\$18.00	571,986	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	2,812,151	\$0.15668	440,608	2,812,151	\$0.19298	542,689	102,081	23.2%
CCRC	2,812,151	\$0.02448	68,841	2,812,151	\$0.02767	77,812	8,971	13.0%
Cost of Gas	2,812,151	\$0.34787	978,263	2,812,151	\$0.34787	978,263	0	0.0%
<b>TOTAL</b>			<b>2,059,698</b>			<b>2,170,750</b>	<b>111,052</b>	<b>5.4%</b>

**GS-CONSOLIDATED LC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	31,132	\$45.00	1,400,940	31,132	\$45.00	1,400,940	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	21,802,415	\$0.14131	3,080,899	21,802,415	\$0.14118	3,078,065	(2,834)	-0.1%
CCRC	21,802,415	\$0.02448	533,723	21,802,415	\$0.02767	603,273	69,550	13.0%
Cost of Gas	21,802,415	\$0.34787	7,584,406	21,802,415	\$0.34787	7,584,406	0	0.0%
<b>TOTAL</b>			<b>12,599,968</b>			<b>12,666,684</b>	<b>66,715</b>	<b>0.5%</b>

**SVI-CONSOLIDATED Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	1,127	\$165.00	185,955	1,127	\$165.00	185,955	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	3,228,598	\$0.06042	195,072	3,228,598	\$0.06973	225,130	30,058	15.4%
CCRC	3,228,598	\$0.02448	79,036	3,228,598	\$0.02767	89,335	10,299	13.0%
Cost of Gas	3,228,598	\$0.26791	864,974	3,228,598	\$0.26791	864,974	0	0.0%
<b>TOTAL</b>			<b>1,325,037</b>			<b>1,365,394</b>	<b>40,357</b>	<b>3.0%</b>

**LVI-CONSOLIDATED Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	110	\$185.00	20,350	110	\$185.00	20,350	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	3,589,566	\$0.02105	75,560	3,589,566	\$0.02562	91,965	16,404	21.7%
CCRC	3,589,566	\$0.02448	87,873	3,589,566	\$0.02767	99,323	11,451	13.0%
Cost of Gas	3,589,566	\$0.26791	961,681	3,589,566	\$0.26791	961,681	0	0.0%
<b>TOTAL</b>			<b>1,145,464</b>			<b>1,173,319</b>	<b>27,855</b>	<b>2.4%</b>

**SVJ-CONSOLIDATED Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	61	\$165.00	10,065	61	\$165.00	10,065	0	0.0%
Daily Firm Capacity	26,520	\$0.25000	6,630	26,520	\$0.30000	7,956	1,326	20.0%
Dist. Per Therm (less CCRC)	276,182	\$0.06042	16,687	276,182	\$0.06973	19,258	2,571	15.4%
CCRC	276,182	\$0.02448	6,761	276,182	\$0.02767	7,642	881	13.0%
Cost of Gas	276,182	\$0.26791	73,992	276,182	\$0.26791	73,992	0	0.0%
<b>TOTAL</b>			<b>114,135</b>			<b>118,913</b>	<b>4,778</b>	<b>4.2%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

**GS-ALBERT LEA NNG Residential Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	113,754	\$5.00	568,770	113,754	\$7.25	824,717	255,947	45.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	8,425,092	\$0.19358	1,630,929	8,425,092	\$0.21349	1,798,673	167,744	10.3%
CCRC	8,425,092	\$0.02448	206,246	8,425,092	\$0.02767	233,122	26,876	13.0%
Cost of Gas	8,425,092	\$0.36354	3,062,858	8,425,092	\$0.41545	3,500,204	437,347	14.3%
<b>TOTAL</b>			<b>5,468,804</b>			<b>6,356,716</b>	<b>887,913</b>	<b>16.2%</b>

**GS-ALBERT LEA NNG SC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	7,013	\$5.00	35,065	7,013	\$11.50	80,650	45,585	130.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	445,976	\$0.15668	69,876	445,976	\$0.19298	86,064	16,189	23.2%
CCRC	445,976	\$0.02448	10,917	445,976	\$0.02767	12,340	1,423	13.0%
Cost of Gas	445,976	\$0.36354	162,130	445,976	\$0.41545	185,281	23,151	14.3%
<b>TOTAL</b>			<b>277,988</b>			<b>364,335</b>	<b>86,347</b>	<b>31.1%</b>

**GS-ALBERT LEA NNG LC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	7,582	\$5.00	37,910	7,582	\$25.00	189,550	151,640	400.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	3,951,793	\$0.14131	558,428	3,951,793	\$0.14118	557,914	(514)	-0.1%
CCRC	3,951,793	\$0.02448	96,740	3,951,793	\$0.02767	109,346	12,606	13.0%
Cost of Gas	3,951,793	\$0.36354	1,436,635	3,951,793	\$0.41545	1,641,772	205,138	14.3%
<b>TOTAL</b>			<b>2,129,713</b>			<b>2,498,583</b>	<b>368,870</b>	<b>17.3%</b>

**SVI-ALBERT LEA NNG Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	469	\$14.00	6,566	469	\$89.50	41,976	35,410	539.3%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	2,100,864	\$0.06042	126,934	2,100,864	\$0.06973	146,493	19,559	15.4%
CCRC	2,100,864	\$0.02448	51,429	2,100,864	\$0.02767	58,131	6,702	13.0%
Cost of Gas	2,100,864	\$0.25975	545,699	2,100,864	\$0.32257	677,676	131,976	24.2%
<b>TOTAL</b>			<b>730,629</b>			<b>924,275</b>	<b>193,647</b>	<b>26.5%</b>

**LVI-ALBERT LEA NNG Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	84	\$14.00	1,176	84	\$99.50	8,358	7,182	610.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,377,451	\$0.02105	28,995	1,377,451	\$0.02562	35,290	6,295	21.7%
CCRC	1,377,451	\$0.02448	33,720	1,377,451	\$0.02767	38,114	4,394	13.0%
Cost of Gas	1,377,451	\$0.25975	357,793	1,377,451	\$0.32257	444,324	86,531	24.2%
<b>TOTAL</b>			<b>421,684</b>			<b>526,087</b>	<b>104,402</b>	<b>24.8%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

SVI-NNG Transport								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	132	\$275.00	36,300	132	\$280.00	36,960	660	1.8%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,740,548	\$0.06042	105,164	1,740,548	\$0.06973	121,368	16,205	15.4%
CCRC	1,740,548	\$0.02448	42,609	1,740,548	\$0.02767	48,161	5,552	13.0%
Cost of Gas	1,740,548	\$0.00000	0	1,740,548	\$0.00000	0	0	0.0%
<b>TOTAL</b>			184,073			206,489	22,417	12.2%
LVI-NNG Transport - CIP Applicable								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	420	\$295.00	123,900	420	\$300.00	126,000	2,100	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	30,128,606	\$0.02105	634,207	30,128,606	\$0.02562	771,895	137,688	21.7%
CCRC	30,128,606	\$0.02448	737,548	30,128,606	\$0.02767	833,659	96,110	13.0%
Cost of Gas	30,128,606	\$0.00000	0	30,128,606	\$0.00000	0	0	0.0%
<b>TOTAL</b>			1,495,655			1,731,553	235,898	15.8%
LVI-NNG Transport - CIP Exempt								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	7,388,353	\$0.02105	155,525	7,388,353	\$0.02562	189,290	33,765	21.7%
CCRC	7,388,353	\$0.00000	0	7,388,353	\$0.00000	0	0	0.0%
Cost of Gas	7,388,353	\$0.00000	0	7,388,353	\$0.00000	0	0	0.0%
<b>TOTAL</b>			159,065			192,890	33,825	21.3%
SVJ-NNG Transport								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	243	\$275.00	66,825	243	\$280.00	68,040	1,215	1.8%
Daily Firm Capacity	196,056	\$0.25000	49,014	196,056	\$0.30000	58,817	9,803	20.0%
Dist. Per Therm (less CCRC)	2,200,810	\$0.06042	132,973	2,200,810	\$0.06973	153,462	20,490	15.4%
CCRC	2,200,810	\$0.02448	53,876	2,200,810	\$0.02767	60,896	7,021	13.0%
Cost of Gas	2,200,810	\$0.00000	0	2,200,810	\$0.00000	0	0	0.0%
<b>TOTAL</b>			302,688			341,216	38,528	12.7%
LVJ-NNG Transport - CIP Applicable								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	271	\$295.00	79,945	271	\$300.00	81,300	1,355	1.7%
Daily Firm Capacity	653,712	\$0.25000	163,428	653,712	\$0.30000	196,114	32,686	20.0%
Dist. Per Therm (less CCRC)	12,020,965	\$0.02105	253,041	12,020,965	\$0.02562	307,977	54,936	21.7%
CCRC	12,020,965	\$0.02448	294,273	12,020,965	\$0.02767	332,620	38,347	13.0%
Cost of Gas	12,020,965	\$0.00000	0	12,020,965	\$0.00000	0	0	0.0%
<b>TOTAL</b>			790,688			918,011	127,323	16.1%
LVJ-NNG Transport - CIP Exempt								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	36	\$295.00	10,620	36	\$300.00	10,800	180	1.7%
Daily Firm Capacity	666,000	\$0.25000	166,500	666,000	\$0.30000	199,800	33,300	20.0%
Dist. Per Therm (less CCRC)	22,936,508	\$0.02105	482,813	22,936,508	\$0.02562	587,633	104,820	21.7%
CCRC	22,936,508	\$0.00000	0	22,936,508	\$0.00000	0	0	0.0%
Cost of Gas	22,936,508	\$0.00000	0	22,936,508	\$0.00000	0	0	0.0%
<b>TOTAL</b>			659,933			798,233	138,300	21.0%
SLVI-NNG Transport-CIP Exempt								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	139	\$460.00	63,940	139	\$470.00	65,330	1,390	2.2%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	210,670,306	\$0.00420	884,815	210,670,306	\$0.00448	943,803	58,988	6.7%
CCRC	210,670,306	\$0.00000	0	210,670,306	\$0.00000	0	0	0.0%
Cost of Gas	210,670,306	\$0.00000	0	210,670,306	\$0.00000	0	0	0.0%
<b>TOTAL</b>			948,755			1,009,133	60,378	6.4%
SLVI-NNG Transport-CIP Applicable								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$460.00	11,040	24	\$470.00	11,280	240	2.2%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	611,080	\$0.00420	2,567	611,080	\$0.00448	2,738	171	6.7%
CCRC	611,080	\$0.02448	14,959	611,080	\$0.02767	16,909	1,949	13.0%
Cost of Gas	611,080	\$0.00000	0	611,080	\$0.00000	0	0	0.0%
<b>TOTAL</b>			28,566			30,926	2,360	8.3%
SLVJ-NNG Transport-CIP Exempt								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$460.00	11,040	24	\$470.00	11,280	240	2.2%
Daily Firm Capacity	4,094,400	\$0.06200	253,853	4,094,400	\$0.06200	253,853	0	0.0%
Dist. Per Therm (less CCRC)	22,593,093	\$0.00420	94,891	22,593,093	\$0.00448	101,217	6,326	6.7%
CCRC	22,593,093	\$0.00000	0	22,593,093	\$0.00000	0	0	0.0%
Cost of Gas	22,593,093	\$0.00000	0	22,593,093	\$0.00000	0	0	0.0%
<b>TOTAL</b>			359,784			366,350	6,566	1.8%

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

Transport for Resale								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	265,416	\$0.04752	12,613	265,416	\$0.04661	12,371	(242)	-1.9%
CCRC	265,416	\$0.02448	6,497	265,416	\$0.02767	7,344	847	13.0%
Cost of Gas	265,416	\$0.00000	0	265,416	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>22,650</b>			<b>23,315</b>	<b>665</b>	<b>2.9%</b>
LVJ-NNG Flex Transport (Cust "A")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	114,000	\$0.25000	28,500	114,000	\$0.30000	34,200	5,700	20.0%
Dist. Per Therm (less CCRC)	6,120,353	\$0.00450	27,542	6,120,353	\$0.00450	27,542	0	0.0%
CCRC	6,120,353	\$0.02448	149,826	6,120,353	\$0.02767	169,350	19,524	13.0%
Cost of Gas	6,120,353	\$0.00000	0	6,120,353	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>209,408</b>			<b>234,692</b>	<b>25,284</b>	<b>12.1%</b>
LVI-NNG Flex Transport (Cust "B")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	13,342,714	\$0.00500	66,714	13,342,714	\$0.00500	66,714	0	0.0%
CCRC	13,342,714	\$0.00000	0	13,342,714	\$0.00000	0	0	0.0%
Cost of Gas	13,342,714	\$0.00000	0	13,342,714	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>70,254</b>			<b>70,314</b>	<b>60</b>	<b>0.1%</b>
LVI-NNG Flex Transport (Cust "C")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	7	\$295.00	2,065	7	\$300.00	2,100	35	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	8,023,625	\$0.00700	56,165	8,023,625	\$0.00700	56,165	0	0.0%
CCRC	8,023,625	\$0.00000	0	8,023,625	\$0.00000	0	0	0.0%
Cost of Gas	8,023,625	\$0.00000	0	8,023,625	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>58,230</b>			<b>58,265</b>	<b>35</b>	<b>0.1%</b>
LVI-NNG Flex Transport (Cust "D")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	5	\$295.00	1,475	5	\$300.00	1,500	25	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	5,774,816	\$0.01500	86,622	5,774,816	\$0.01500	86,622	0	0.0%
CCRC	5,774,816	\$0.00000	0	5,774,816	\$0.00000	0	0	0.0%
Cost of Gas	5,774,816	\$0.00000	0	5,774,816	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>88,097</b>			<b>88,122</b>	<b>25</b>	<b>0.0%</b>
LVJ-NNG Flex Transport (Cust "E")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	72,000	\$0.25000	18,000	72,000	\$0.30000	21,600	3,600	20.0%
Dist. Per Therm (less CCRC)	6,193,680	\$0.01500	92,905	6,193,680	\$0.01500	92,905	0	0.0%
CCRC	6,193,680	\$0.00000	0	6,193,680	\$0.00000	0	0	0.0%
Cost of Gas	6,193,680	\$0.00000	0	6,193,680	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>114,445</b>			<b>118,105</b>	<b>3,660</b>	<b>3.2%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

**LVJ-NNG Flex Transport (Cust "F")**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	36	\$295.00	10,620	36	\$300.00	10,800	180	1.7%
Daily Firm Capacity	144,000	\$0.25000	36,000	144,000	\$0.30000	43,200	7,200	20.0%
Dist. Per Therm (less CCRC)	3,991,875	\$0.00637	25,428	3,991,875	\$0.00637	25,428	0	0.0%
CCRC	3,991,875	\$0.02448	97,721	3,991,875	\$0.02767	110,455	12,734	13.0%
Cost of Gas	3,991,875	\$0.00000	0	3,991,875	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>169,769</b>			<b>189,883</b>	<b>20,114</b>	<b>11.8%</b>

**LVJ-NNG Flex Transport (Cust "G")**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$295.00	7,080	24	\$300.00	7,200	120	1.7%
Daily Firm Capacity	90,000	\$0.25000	22,500	90,000	\$0.30000	27,000	4,500	20.0%
Dist. Per Therm (less CCRC)	2,374,234	\$0.00552	13,106	2,374,234	\$0.00552	13,106	0	0.0%
CCRC	2,374,234	\$0.02448	58,121	2,374,234	\$0.02767	65,695	7,574	13.0%
Cost of Gas	2,374,234	\$0.00000	0	2,374,234	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>100,807</b>			<b>113,001</b>	<b>12,194</b>	<b>12.1%</b>

**SVI-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	162	\$275.00	44,550	162	\$280.00	45,360	810	1.8%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,556,897	\$0.06042	94,068	1,556,897	\$0.06973	108,562	14,495	15.4%
CCRC	1,556,897	\$0.02448	38,113	1,556,897	\$0.02767	43,079	4,967	13.0%
Cost of Gas	1,556,897	\$0.00000	0	1,556,897	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>176,731</b>			<b>197,002</b>	<b>20,271</b>	<b>11.5%</b>

**LVI-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	121	\$295.00	35,695	121	\$300.00	36,300	605	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	11,113,486	\$0.02105	233,939	11,113,486	\$0.02562	284,728	50,789	21.7%
CCRC	11,113,486	\$0.02448	272,058	11,113,486	\$0.02767	307,510	35,452	13.0%
Cost of Gas	11,113,486	\$0.00000	0	11,113,486	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>541,692</b>			<b>628,538</b>	<b>86,846</b>	<b>16.0%</b>

**SVJ-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	132	\$275.00	36,300	132	\$280.00	36,960	660	1.8%
Daily Firm Capacity	94,800	\$0.25000	23,700	94,800	\$0.30000	28,440	4,740	20.0%
Dist. Per Therm (less CCRC)	755,410	\$0.06042	45,642	755,410	\$0.06973	52,675	7,033	15.4%
CCRC	755,410	\$0.02448	18,492	755,410	\$0.02767	20,902	2,410	13.0%
Cost of Gas	755,410	\$0.00000	0	755,410	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>124,134</b>			<b>138,977</b>	<b>14,843</b>	<b>12.0%</b>

**LVJ-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	144	\$295.00	42,480	144	\$300.00	43,200	720	1.7%
Daily Firm Capacity	338,640	\$0.25000	84,660	338,640	\$0.30000	101,592	16,932	20.0%
Dist. Per Therm (less CCRC)	6,292,732	\$0.02105	132,462	6,292,732	\$0.02562	161,220	28,758	21.7%
CCRC	6,292,732	\$0.02448	154,046	6,292,732	\$0.02767	174,120	20,074	13.0%
Cost of Gas	6,292,732	\$0.00000	0	6,292,732	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>413,648</b>			<b>480,132</b>	<b>66,484</b>	<b>16.1%</b>



**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

**SLVI-CONSOLIDATED Transport-CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	0	\$460.00	0	0	\$470.00	0	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	0	\$0.00850	0	0	\$0.00873	0	0	0.0%
CCRC	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Cost of Gas	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
<b>TOTAL</b>			0			0	0	0.0%

**SLVI-CONSOLIDATED Transport-CIP Applicable**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	0	\$460.00	0	0	\$470.00	0	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	0	\$0.00850	0	0	\$0.00873	0	0	0.0%
CCRC	0	\$0.02448	0	0	\$0.02767	0	0	0.0%
Cost of Gas	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
<b>TOTAL</b>			0			0	0	0.0%

**SLVJ-CONSOLIDATED Transport-CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	108	\$460.00	49,680	108	\$470.00	50,760	1,080	2.2%
Daily Firm Capacity	1,436,400	\$0.06200	89,057	1,436,400	\$0.06200	89,057	0	0.0%
Dist. Per Therm (less CCRC)	41,304,638	\$0.00850	351,089	41,304,638	\$0.00873	360,589	9,500	2.7%
CCRC	41,304,638	\$0.00000	0	41,304,638	\$0.00000	0	0	0.0%
Cost of Gas	41,304,638	\$0.00000	0	41,304,638	\$0.00000	0	0	0.0%
<b>TOTAL</b>			489,826			500,406	10,580	2.2%

**SVI-ALBERT LEA Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$210.00	2,520	12	\$280.00	3,360	840	33.3%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	36,816	\$0.06042	2,224	36,816	\$0.06973	2,567	343	15.4%
CCRC	36,816	\$0.02448	901	36,816	\$0.02767	1,019	117	13.0%
Cost of Gas	36,816	\$0.00000	0	36,816	\$0.00000	0	0	0.0%
<b>TOTAL</b>			5,646			6,946	1,300	23.0%

**LVI-ALBERT LEA Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$210.00	5,040	24	\$300.00	7,200	2,160	42.9%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,899,825	\$0.02105	39,991	1,899,825	\$0.02562	48,674	8,682	21.7%
CCRC	1,899,825	\$0.02448	46,508	1,899,825	\$0.02767	52,568	6,060	13.0%
Cost of Gas	1,899,825	\$0.00000	0	1,899,825	\$0.00000	0	0	0.0%
<b>TOTAL</b>			91,539			108,442	16,903	18.5%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (INCLUDING GAS COSTS)

## GS-NNG Residential Sales

Monthly Therm Consumption	Bill Under Current Rates		Bill Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25	\$25.42	\$305.08	\$25.92	\$310.98	1.94%	1.94%
30	\$28.61	\$343.29	\$29.20	\$350.38	2.06%	2.06%
45	\$38.16	\$457.94	\$39.05	\$468.57	2.32%	2.32%
60	\$47.72	\$572.59	\$48.90	\$586.76	2.47%	2.47%
75	\$57.27	\$687.24	\$58.75	\$704.95	2.58%	2.58%
100	\$73.19	\$878.32	\$75.16	\$901.93	2.69%	2.69%
125	\$89.12	\$1,069.40	\$91.58	\$1,098.92	2.76%	2.76%
150	\$105.04	\$1,260.47	\$107.99	\$1,295.90	2.81%	2.81%
200	\$136.89	\$1,642.63	\$140.82	\$1,689.86	2.88%	2.88%
250	\$168.73	\$2,024.79	\$173.65	\$2,083.83	2.92%	2.92%

## GS-NNG SC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25	\$33.00	\$396.01	\$33.90	\$406.83	2.73%	2.73%
30	\$36.00	\$432.01	\$37.08	\$445.00	3.01%	3.01%
45	\$45.00	\$540.02	\$46.62	\$559.49	3.61%	3.61%
60	\$54.00	\$648.02	\$56.17	\$673.99	4.01%	4.01%
75	\$63.00	\$756.03	\$65.71	\$788.49	4.29%	4.29%
100	\$78.00	\$936.04	\$81.61	\$979.32	4.62%	4.62%
125	\$93.00	\$1,116.05	\$97.51	\$1,170.15	4.85%	4.85%
150	\$108.00	\$1,296.05	\$113.42	\$1,360.98	5.01%	5.01%
200	\$138.01	\$1,656.07	\$145.22	\$1,742.64	5.23%	5.23%
250	\$168.01	\$2,016.09	\$177.03	\$2,124.30	5.37%	5.37%

## GS-NNG LC&amp;I Sales

Monthly Therm Consumption	Bill Under Current Rates		Bill Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50	\$74.23	\$890.80	\$74.22	\$890.58	-0.02%	-0.02%
100	\$103.47	\$1,241.59	\$103.43	\$1,241.16	-0.03%	-0.03%
200	\$161.93	\$1,943.18	\$161.86	\$1,942.32	-0.04%	-0.04%
300	\$220.40	\$2,644.78	\$220.29	\$2,643.48	-0.05%	-0.05%
400	\$278.86	\$3,346.37	\$278.72	\$3,344.64	-0.05%	-0.05%
500	\$337.33	\$4,047.96	\$337.15	\$4,045.80	-0.05%	-0.05%
600	\$395.80	\$4,749.55	\$395.58	\$4,746.96	-0.05%	-0.05%
750	\$483.50	\$5,801.94	\$483.23	\$5,798.70	-0.06%	-0.06%
900	\$571.19	\$6,854.33	\$570.87	\$6,850.44	-0.06%	-0.06%
1,000	\$629.66	\$7,555.92	\$629.30	\$7,551.60	-0.06%	-0.06%

## SVI-NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$370.76	\$4,449.06	\$374.99	\$4,499.82	1.14%	1.14%
1,000	\$576.51	\$6,918.12	\$584.97	\$7,019.64	1.47%	1.47%
1,500	\$782.27	\$9,387.18	\$794.96	\$9,539.46	1.62%	1.62%
2,000	\$988.02	\$11,856.24	\$1,004.94	\$12,059.28	1.71%	1.71%
3,000	\$1,399.53	\$16,794.36	\$1,424.91	\$17,098.92	1.81%	1.81%
5,000	\$2,222.55	\$26,670.60	\$2,264.85	\$27,178.20	1.90%	1.90%
6,000	\$2,634.06	\$31,608.72	\$2,684.82	\$32,217.84	1.93%	1.93%
7,500	\$3,251.33	\$39,015.90	\$3,314.78	\$39,777.30	1.95%	1.95%
9,000	\$3,868.59	\$46,423.08	\$3,944.73	\$47,336.76	1.97%	1.97%
10,000	\$4,280.10	\$51,361.20	\$4,364.70	\$52,376.40	1.98%	1.98%

## LVI-NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$371.07	\$4,452.84	\$372.93	\$4,475.16	0.50%	0.50%
1,000	\$557.14	\$6,685.68	\$560.86	\$6,730.32	0.67%	0.67%
2,500	\$1,115.35	\$13,384.20	\$1,124.65	\$13,495.80	0.83%	0.83%
5,000	\$2,045.70	\$24,548.40	\$2,064.30	\$24,771.60	0.91%	0.91%
7,500	\$2,976.05	\$35,712.60	\$3,003.95	\$36,047.40	0.94%	0.94%
10,000	\$3,906.40	\$46,876.80	\$3,943.60	\$47,323.20	0.95%	0.95%
12,500	\$4,836.75	\$58,041.00	\$4,883.25	\$58,599.00	0.96%	0.96%
15,000	\$5,767.10	\$69,205.20	\$5,822.90	\$69,874.80	0.97%	0.97%
17,500	\$6,697.45	\$80,369.40	\$6,762.55	\$81,150.60	0.97%	0.97%
20,000	\$7,627.80	\$91,533.60	\$7,702.20	\$92,426.40	0.98%	0.98%

## SVJ-NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$450.01	\$5,400.06	\$454.24	\$5,450.82	0.94%	0.94%
1,000	\$655.76	\$7,869.12	\$664.22	\$7,970.64	1.29%	1.29%
1,500	\$861.52	\$10,338.18	\$874.21	\$10,490.46	1.47%	1.47%
2,000	\$1,067.27	\$12,807.24	\$1,084.19	\$13,010.28	1.59%	1.59%
3,000	\$1,478.78	\$17,745.36	\$1,504.16	\$18,049.92	1.72%	1.72%
5,000	\$2,301.80	\$27,621.60	\$2,344.10	\$28,129.20	1.84%	1.84%
6,000	\$2,713.31	\$32,559.72	\$2,764.07	\$33,168.84	1.87%	1.87%
7,500	\$3,330.58	\$39,966.90	\$3,394.03	\$40,728.30	1.91%	1.91%
9,000	\$3,947.84	\$47,374.08	\$4,023.98	\$48,287.76	1.93%	1.93%
10,000	\$4,359.35	\$52,312.20	\$4,443.95	\$53,327.40	1.94%	1.94%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (INCLUDING GAS COSTS)

## GS-CONSOLIDATED Residential Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	25	\$23.65	\$283.78	\$24.23	\$290.71	2.44%
30	\$26.48	\$317.73	\$27.17	\$326.05	2.62%	2.62%
45	\$34.97	\$419.60	\$36.01	\$432.08	2.97%	2.97%
60	\$43.46	\$521.47	\$44.84	\$538.10	3.19%	3.19%
75	\$51.94	\$623.34	\$53.68	\$644.13	3.34%	3.34%
100	\$66.09	\$793.12	\$68.40	\$820.84	3.50%	3.50%
125	\$80.24	\$962.90	\$83.13	\$997.55	3.60%	3.60%
150	\$94.39	\$1,132.67	\$97.85	\$1,174.25	3.67%	3.67%
200	\$122.69	\$1,472.23	\$127.31	\$1,527.67	3.77%	3.77%
250	\$150.98	\$1,811.79	\$156.76	\$1,881.09	3.82%	3.82%

## GS-CONSOLIDATED SC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	25	\$31.23	\$374.71	\$32.21	\$386.56	3.16%
30	\$33.87	\$406.45	\$35.06	\$420.67	3.50%	3.50%
45	\$41.81	\$501.68	\$43.58	\$523.00	4.25%	4.25%
60	\$49.74	\$596.90	\$52.11	\$625.33	4.76%	4.76%
75	\$57.68	\$692.13	\$60.64	\$727.67	5.14%	5.14%
100	\$70.90	\$850.84	\$74.85	\$898.22	5.57%	5.57%
125	\$84.13	\$1,009.55	\$89.07	\$1,068.78	5.87%	5.87%
150	\$97.35	\$1,168.25	\$103.28	\$1,239.34	6.08%	6.08%
200	\$123.81	\$1,485.67	\$131.70	\$1,580.45	6.38%	6.38%
250	\$150.26	\$1,803.09	\$160.13	\$1,921.56	6.57%	6.57%

## GS-CONSOLIDATED LC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	50	\$70.68	\$848.20	\$70.84	\$850.03	0.22%
100	\$96.37	\$1,156.39	\$96.67	\$1,160.06	0.32%	0.32%
200	\$147.73	\$1,772.78	\$148.34	\$1,780.13	0.41%	0.41%
300	\$199.10	\$2,389.18	\$200.02	\$2,400.19	0.46%	0.46%
400	\$250.46	\$3,005.57	\$251.69	\$3,020.26	0.49%	0.49%
500	\$301.83	\$3,621.96	\$303.36	\$3,640.32	0.51%	0.51%
600	\$353.20	\$4,238.35	\$355.03	\$4,260.38	0.52%	0.52%
750	\$430.25	\$5,162.94	\$432.54	\$5,190.48	0.53%	0.53%
900	\$507.29	\$6,087.53	\$510.05	\$6,120.58	0.54%	0.54%
1,000	\$558.66	\$6,703.92	\$561.72	\$6,740.64	0.55%	0.55%

## SVI-CONSOLIDATED Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$341.41	\$4,096.86	\$347.66	\$4,171.86	1.83%
1,000	\$517.81	\$6,213.72	\$530.31	\$6,363.72	2.41%	2.41%
1,500	\$694.22	\$8,330.58	\$712.97	\$8,555.58	2.70%	2.70%
2,000	\$870.62	\$10,447.44	\$895.62	\$10,747.44	2.87%	2.87%
3,000	\$1,223.43	\$14,681.16	\$1,260.93	\$15,131.16	3.07%	3.07%
5,000	\$1,929.05	\$23,148.60	\$1,991.55	\$23,898.60	3.24%	3.24%
6,000	\$2,281.86	\$27,382.32	\$2,356.86	\$28,282.32	3.29%	3.29%
7,500	\$2,811.08	\$33,732.90	\$2,904.83	\$34,857.90	3.34%	3.34%
9,000	\$3,340.29	\$40,083.48	\$3,452.79	\$41,433.48	3.37%	3.37%
10,000	\$3,693.10	\$44,317.20	\$3,818.10	\$45,817.20	3.38%	3.38%

## LVI-CONSOLIDATED Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$341.72	\$4,100.64	\$345.60	\$4,147.20	1.14%
1,000	\$498.44	\$5,981.28	\$506.20	\$6,074.40	1.56%	1.56%
2,500	\$968.60	\$11,623.20	\$988.00	\$11,856.00	2.00%	2.00%
5,000	\$1,752.20	\$21,026.40	\$1,791.00	\$21,492.00	2.21%	2.21%
7,500	\$2,535.80	\$30,429.60	\$2,594.00	\$31,128.00	2.30%	2.30%
10,000	\$3,319.40	\$39,832.80	\$3,397.00	\$40,764.00	2.34%	2.34%
12,500	\$4,103.00	\$49,236.00	\$4,200.00	\$50,400.00	2.36%	2.36%
15,000	\$4,886.60	\$58,639.20	\$5,003.00	\$60,036.00	2.38%	2.38%
17,500	\$5,670.20	\$68,042.40	\$5,806.00	\$69,672.00	2.39%	2.39%
20,000	\$6,453.80	\$77,445.60	\$6,609.00	\$79,308.00	2.40%	2.40%

## SVJ-CONSOLIDATED Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$450.16	\$5,401.86	\$478.16	\$5,737.86	6.22%
1,000	\$626.56	\$7,518.72	\$660.81	\$7,929.72	5.47%	5.47%
1,500	\$802.97	\$9,635.58	\$843.47	\$10,121.58	5.04%	5.04%
2,000	\$979.37	\$11,752.44	\$1,026.12	\$12,313.44	4.77%	4.77%
3,000	\$1,332.18	\$15,986.16	\$1,391.43	\$16,697.16	4.45%	4.45%
5,000	\$2,037.80	\$24,453.60	\$2,122.05	\$25,464.60	4.13%	4.13%
6,000	\$2,390.61	\$28,687.32	\$2,487.36	\$29,848.32	4.05%	4.05%
7,500	\$2,919.83	\$35,037.90	\$3,035.33	\$36,423.90	3.96%	3.96%
9,000	\$3,449.04	\$41,388.48	\$3,583.29	\$42,999.48	3.89%	3.89%
10,000	\$3,801.85	\$45,622.20	\$3,948.60	\$47,383.20	3.86%	3.86%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (INCLUDING GAS COSTS)

## GS-ALBERT LEA NNG Residential Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25	\$19.54	\$234.48	\$23.67	\$283.98	21.11%	21.11%
30	\$22.45	\$269.38	\$26.95	\$323.38	20.05%	20.05%
45	\$31.17	\$374.06	\$36.80	\$441.57	18.05%	18.05%
60	\$39.90	\$478.75	\$46.65	\$559.76	16.92%	16.92%
75	\$48.62	\$583.44	\$56.50	\$677.95	16.20%	16.20%
100	\$63.16	\$757.92	\$72.91	\$874.93	15.44%	15.44%
125	\$77.70	\$932.40	\$89.33	\$1,071.92	14.96%	14.96%
150	\$92.24	\$1,106.88	\$105.74	\$1,268.90	14.64%	14.64%
200	\$121.32	\$1,455.84	\$138.57	\$1,662.86	14.22%	14.22%
250	\$150.40	\$1,804.80	\$171.40	\$2,056.83	13.96%	13.96%

## GS-ALBERT LEA NNG SC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25	\$18.62	\$223.41	\$27.40	\$328.83	47.19%	47.19%
30	\$21.34	\$256.09	\$30.58	\$367.00	43.31%	43.31%
45	\$29.51	\$354.14	\$40.12	\$481.49	35.96%	35.96%
60	\$37.68	\$452.18	\$49.67	\$595.99	31.80%	31.80%
75	\$45.85	\$550.23	\$59.21	\$710.49	29.13%	29.13%
100	\$59.47	\$713.64	\$75.11	\$901.32	26.30%	26.30%
125	\$73.09	\$877.05	\$91.01	\$1,092.15	24.53%	24.53%
150	\$86.71	\$1,040.46	\$106.92	\$1,282.98	23.31%	23.31%
200	\$113.94	\$1,367.28	\$138.72	\$1,664.64	21.75%	21.75%
250	\$141.18	\$1,694.10	\$170.53	\$2,046.30	20.79%	20.79%

## GS-ALBERT LEA NNG LC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50	\$31.47	\$377.60	\$54.22	\$650.58	72.29%	72.29%
100	\$57.93	\$695.20	\$83.43	\$1,001.16	44.01%	44.01%
200	\$110.87	\$1,330.39	\$141.86	\$1,702.32	27.96%	27.96%
300	\$163.80	\$1,965.59	\$200.29	\$2,403.48	22.28%	22.28%
400	\$216.73	\$2,600.78	\$258.72	\$3,104.64	19.37%	19.37%
500	\$269.67	\$3,235.98	\$317.15	\$3,805.80	17.61%	17.61%
600	\$322.60	\$3,871.18	\$375.58	\$4,606.96	16.42%	16.42%
750	\$402.00	\$4,823.97	\$463.23	\$5,558.70	15.23%	15.23%
900	\$481.40	\$5,776.76	\$550.87	\$6,610.44	14.43%	14.43%
1,000	\$534.33	\$6,411.96	\$609.30	\$7,311.60	14.03%	14.03%

## SVI-ALBERT LEA NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$186.33	\$2,235.90	\$299.49	\$3,593.82	60.73%	60.73%
1,000	\$358.65	\$4,303.80	\$509.47	\$6,113.64	42.05%	42.05%
1,500	\$530.98	\$6,371.70	\$719.46	\$8,633.46	35.50%	35.50%
2,000	\$703.30	\$8,439.60	\$929.44	\$11,153.28	32.15%	32.15%
3,000	\$1,047.95	\$12,575.40	\$1,349.41	\$16,192.92	28.77%	28.77%
5,000	\$1,737.25	\$20,847.00	\$2,189.35	\$26,272.20	26.02%	26.02%
6,000	\$2,081.90	\$24,982.80	\$2,609.32	\$31,311.84	25.33%	25.33%
7,500	\$2,598.88	\$31,186.50	\$3,239.28	\$38,871.30	24.64%	24.64%
9,000	\$3,115.85	\$37,390.20	\$3,869.23	\$46,430.76	24.18%	24.18%
10,000	\$3,460.50	\$41,526.00	\$4,289.20	\$51,470.40	23.95%	23.95%

## LVI-ALBERT LEA NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$166.64	\$1,999.68	\$287.43	\$3,449.16	72.49%	72.49%
1,000	\$319.28	\$3,831.36	\$475.36	\$5,704.32	48.88%	48.88%
2,500	\$777.20	\$9,326.40	\$1,039.15	\$12,469.80	33.70%	33.70%
5,000	\$1,540.40	\$18,484.80	\$1,978.80	\$23,745.60	28.46%	28.46%
7,500	\$2,303.60	\$27,643.20	\$2,918.45	\$35,021.40	26.69%	26.69%
10,000	\$3,066.80	\$36,801.60	\$3,858.10	\$46,297.20	25.80%	25.80%
12,500	\$3,830.00	\$45,960.00	\$4,797.75	\$57,573.00	25.27%	25.27%
15,000	\$4,593.20	\$55,118.40	\$5,737.40	\$68,848.80	24.91%	24.91%
17,500	\$5,356.40	\$64,276.80	\$6,677.05	\$80,124.60	24.66%	24.66%
20,000	\$6,119.60	\$73,435.20	\$7,616.70	\$91,400.40	24.46%	24.46%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (INCLUDING GAS COSTS)

## SVI-NNG Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$317.45	\$3,809.40	\$328.70	\$3,944.40	3.54%	3.54%
1,000	\$359.90	\$4,318.80	\$377.40	\$4,528.80	4.86%	4.86%
1,500	\$402.35	\$4,828.20	\$426.10	\$5,113.20	5.90%	5.90%
2,000	\$444.80	\$5,337.60	\$474.80	\$5,697.60	6.74%	6.74%
3,000	\$529.70	\$6,356.40	\$572.20	\$6,866.40	8.02%	8.02%
5,000	\$699.50	\$8,394.00	\$767.00	\$9,204.00	9.65%	9.65%
6,000	\$784.40	\$9,412.80	\$864.40	\$10,372.80	10.20%	10.20%
7,500	\$911.75	\$10,941.00	\$1,010.50	\$12,126.00	10.83%	10.83%
9,000	\$1,039.10	\$12,469.20	\$1,156.60	\$13,879.20	11.31%	11.31%
10,000	\$1,124.00	\$13,488.00	\$1,254.00	\$15,048.00	11.57%	11.57%

## LVI-NNG Transport - CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$317.77	\$3,813.18	\$326.65	\$3,919.74	2.79%	2.79%
1,000	\$340.53	\$4,086.36	\$353.29	\$4,239.48	3.75%	3.75%
2,500	\$408.83	\$4,905.90	\$433.23	\$5,198.70	5.97%	5.97%
5,000	\$522.65	\$6,271.80	\$566.45	\$6,797.40	8.38%	8.38%
7,500	\$636.48	\$7,637.70	\$699.68	\$8,396.10	9.93%	9.93%
10,000	\$750.30	\$9,003.60	\$832.90	\$9,994.80	11.01%	11.01%
12,500	\$864.13	\$10,369.50	\$966.13	\$11,593.50	11.80%	11.80%
15,000	\$977.95	\$11,735.40	\$1,099.35	\$13,192.20	12.41%	12.41%
17,500	\$1,091.78	\$13,101.30	\$1,232.58	\$14,790.90	12.90%	12.90%
20,000	\$1,205.60	\$14,467.20	\$1,365.80	\$16,389.60	13.29%	13.29%

## LVI-NNG Transport - CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$305.53	\$3,666.30	\$312.81	\$3,753.72	2.38%	2.38%
1,000	\$316.05	\$3,792.60	\$325.62	\$3,907.44	3.03%	3.03%
2,500	\$347.63	\$4,171.50	\$364.05	\$4,368.60	4.72%	4.72%
5,000	\$400.25	\$4,803.00	\$428.10	\$5,137.20	6.96%	6.96%
7,500	\$452.88	\$5,434.50	\$492.15	\$5,905.80	8.67%	8.67%
10,000	\$505.50	\$6,066.00	\$556.20	\$6,674.40	10.03%	10.03%
12,500	\$558.13	\$6,697.50	\$620.25	\$7,443.00	11.13%	11.13%
15,000	\$610.75	\$7,329.00	\$684.30	\$8,211.60	12.04%	12.04%
17,500	\$663.38	\$7,960.50	\$748.35	\$8,980.20	12.81%	12.81%
20,000	\$716.00	\$8,592.00	\$812.40	\$9,748.80	13.46%	13.46%

## SVJ-NNG Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$519.20	\$6,230.40	\$570.80	\$6,849.60	9.94%	9.94%
1,000	\$561.65	\$6,739.80	\$619.50	\$7,434.00	10.30%	10.30%
1,500	\$604.10	\$7,249.20	\$668.20	\$8,018.40	10.61%	10.61%
2,000	\$646.55	\$7,758.60	\$716.90	\$8,602.80	10.88%	10.88%
3,000	\$731.45	\$8,777.40	\$814.30	\$9,771.60	11.33%	11.33%
5,000	\$901.25	\$10,815.00	\$1,009.10	\$12,109.20	11.97%	11.97%
6,000	\$986.15	\$11,833.80	\$1,106.50	\$13,278.00	12.20%	12.20%
7,500	\$1,113.50	\$13,362.00	\$1,252.60	\$15,031.20	12.49%	12.49%
9,000	\$1,240.85	\$14,890.20	\$1,398.70	\$16,784.40	12.72%	12.72%
10,000	\$1,325.75	\$15,909.00	\$1,496.10	\$17,953.20	12.85%	12.85%

## LVJ-NNG Transport - CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$920.77	\$11,049.18	\$1,050.25	\$12,602.94	14.06%	14.06%
1,000	\$943.53	\$11,322.36	\$1,076.89	\$12,922.68	14.13%	14.13%
2,500	\$1,011.83	\$12,141.90	\$1,156.83	\$13,881.90	14.33%	14.33%
5,000	\$1,125.65	\$13,507.80	\$1,290.05	\$15,480.60	14.60%	14.60%
7,500	\$1,239.48	\$14,873.70	\$1,423.28	\$17,079.30	14.83%	14.83%
10,000	\$1,353.30	\$16,239.60	\$1,556.50	\$18,678.00	15.02%	15.02%
12,500	\$1,467.13	\$17,605.50	\$1,689.73	\$20,276.70	15.17%	15.17%
15,000	\$1,580.95	\$18,971.40	\$1,822.95	\$21,875.40	15.31%	15.31%
17,500	\$1,694.78	\$20,337.30	\$1,956.18	\$23,474.10	15.42%	15.42%
20,000	\$1,808.60	\$21,703.20	\$2,089.40	\$25,072.80	15.53%	15.53%

## LVJ-NNG Transport - CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$908.53	\$10,902.30	\$1,036.41	\$12,436.92	14.08%	14.08%
1,000	\$919.05	\$11,028.60	\$1,049.22	\$12,590.64	14.16%	14.16%
2,500	\$950.63	\$11,407.50	\$1,087.65	\$13,051.80	14.41%	14.41%
5,000	\$1,003.25	\$12,039.00	\$1,151.70	\$13,820.40	14.80%	14.80%
7,500	\$1,055.88	\$12,670.50	\$1,215.75	\$14,589.00	15.14%	15.14%
10,000	\$1,108.50	\$13,302.00	\$1,279.80	\$15,357.60	15.45%	15.45%
12,500	\$1,161.13	\$13,933.50	\$1,343.85	\$16,126.20	15.74%	15.74%
15,000	\$1,213.75	\$14,565.00	\$1,407.90	\$16,894.80	16.00%	16.00%
17,500	\$1,266.38	\$15,196.50	\$1,471.95	\$17,663.40	16.23%	16.23%
20,000	\$1,319.00	\$15,828.00	\$1,536.00	\$18,432.00	16.45%	16.45%

## SLVI-NNG Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$670.00	\$8,040.00	\$694.00	\$8,328.00	3.58%	3.58%
100,000	\$880.00	\$10,560.00	\$918.00	\$11,016.00	4.32%	4.32%
200,000	\$1,300.00	\$15,600.00	\$1,366.00	\$16,392.00	5.08%	5.08%
500,000	\$2,560.00	\$30,720.00	\$2,710.00	\$32,520.00	5.86%	5.86%
750,000	\$3,610.00	\$43,320.00	\$3,830.00	\$45,960.00	6.09%	6.09%
1,000,000	\$4,660.00	\$55,920.00	\$4,950.00	\$59,400.00	6.22%	6.22%
1,500,000	\$6,760.00	\$81,120.00	\$7,190.00	\$86,280.00	6.36%	6.36%
2,000,000	\$8,860.00	\$106,320.00	\$9,430.00	\$113,160.00	6.43%	6.43%
2,500,000	\$10,960.00	\$131,520.00	\$11,670.00	\$140,040.00	6.48%	6.48%
3,000,000	\$13,060.00	\$156,720.00	\$13,910.00	\$166,920.00	6.51%	6.51%

## SLVI-NNG Transport-CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$1,894.00	\$22,728.00	\$2,077.50	\$24,930.00	9.69%	9.69%
100,000	\$3,328.00	\$39,936.00	\$3,685.00	\$44,220.00	10.73%	10.73%
200,000	\$6,196.00	\$74,352.00	\$6,900.00	\$82,800.00	11.36%	11.36%
500,000	\$14,800.00	\$177,600.00	\$16,545.00	\$198,540.00	11.79%	11.79%
750,000	\$21,970.00	\$263,640.00	\$24,582.50	\$294,990.00	11.89%	11.89%
1,000,000	\$29,140.00	\$349,680.00	\$32,620.00	\$391,440.00	11.94%	11.94%
1,500,000	\$43,480.00	\$521,760.00	\$48,695.00	\$584,340.00	11.99%	11.99%
2,000,000	\$57,820.00	\$693,840.00	\$64,770.00	\$777,240.00	12.02%	12.02%
2,500,000	\$72,160.00	\$865,920.00	\$80,845.00	\$970,140.00	12.04%	12.04%
3,000,000	\$86,500.00	\$1,038,000.00	\$96,920.00	\$1,163,040.00	12.05%	12.05%

## SLVJ-NNG Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$11,247.20	\$134,966.40	\$11,271.20	\$135,254.40	0.21%	0.21%
100,000	\$11,457.20	\$137,486.40	\$11,495.20	\$137,942.40	0.33%	0.33%
200,000	\$11,877.20	\$142,526.40	\$11,943.20	\$143,318.40	0.56%	0.56%
500,000	\$13,137.20	\$157,646.40	\$13,287.20	\$159,446.40	1.14%	1.14%
750,000	\$14,187.20	\$170,246.40	\$14,407.20	\$172,886.40	1.55%	1.55%
1,000,000	\$15,237.20	\$182,846.40	\$15,527.20	\$186,326.40	1.90%	1.90%
1,500,000	\$17,337.20	\$208,046.40	\$17,767.20	\$213,206.40	2.48%	2.48%
2,000,000	\$19,437.20	\$233,246.40	\$20,007.20	\$240,086.40	2.93%	2.93%
2,500,000	\$21,537.20	\$258,446.40	\$22,247.20	\$266,966.40	3.30%	3.30%
3,000,000	\$23,637.20	\$283,646.40	\$24,487.20	\$293,846.40	3.60%	3.60%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (INCLUDING GAS COSTS)

## Transport for Resale

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
1,000	\$367.00	\$4,404.00	\$374.28	\$4,491.36	1.98%	1.98%
2,500	\$475.00	\$5,700.00	\$485.70	\$5,828.40	2.25%	2.25%
5,000	\$655.00	\$7,860.00	\$671.40	\$8,056.80	2.50%	2.50%
7,500	\$835.00	\$10,020.00	\$857.10	\$10,285.20	2.65%	2.65%
10,000	\$1,015.00	\$12,180.00	\$1,042.80	\$12,513.60	2.74%	2.74%
15,000	\$1,375.00	\$16,500.00	\$1,414.20	\$16,970.40	2.85%	2.85%
20,000	\$1,735.00	\$20,820.00	\$1,785.60	\$21,427.20	2.92%	2.92%
25,000	\$2,095.00	\$25,140.00	\$2,157.00	\$25,884.00	2.96%	2.96%
30,000	\$2,455.00	\$29,460.00	\$2,528.40	\$30,340.80	2.99%	2.99%
35,000	\$2,815.00	\$33,780.00	\$2,899.80	\$34,797.60	3.01%	3.01%

## LVJ-NNG Flex Transport (Cust "A")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$3,394.50	\$40,734.00	\$3,954.25	\$47,451.00	16.49%	16.49%
50,000	\$4,119.00	\$49,428.00	\$4,758.50	\$57,102.00	15.53%	15.53%
100,000	\$5,568.00	\$66,816.00	\$6,367.00	\$76,404.00	14.35%	14.35%
250,000	\$9,915.00	\$118,980.00	\$11,192.50	\$134,310.00	12.88%	12.88%
400,000	\$14,262.00	\$171,144.00	\$16,018.00	\$192,216.00	12.31%	12.31%
500,000	\$17,160.00	\$205,920.00	\$19,235.00	\$230,820.00	12.09%	12.09%
600,000	\$20,058.00	\$240,696.00	\$22,452.00	\$269,424.00	11.94%	11.94%
750,000	\$24,405.00	\$292,860.00	\$27,277.50	\$327,330.00	11.77%	11.77%
1,000,000	\$31,650.00	\$379,800.00	\$35,320.00	\$423,840.00	11.60%	11.60%
1,250,000	\$38,895.00	\$466,740.00	\$43,362.50	\$520,350.00	11.49%	11.49%

## LVI-NNG Flex Transport (Cust "B")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$420.00	\$5,040.00	\$425.00	\$5,100.00	1.19%	1.19%
50,000	\$545.00	\$6,540.00	\$550.00	\$6,600.00	0.92%	0.92%
100,000	\$795.00	\$9,540.00	\$800.00	\$9,600.00	0.63%	0.63%
250,000	\$1,545.00	\$18,540.00	\$1,550.00	\$18,600.00	0.32%	0.32%
400,000	\$2,295.00	\$27,540.00	\$2,300.00	\$27,600.00	0.22%	0.22%
500,000	\$2,795.00	\$33,540.00	\$2,800.00	\$33,600.00	0.18%	0.18%
600,000	\$3,295.00	\$39,540.00	\$3,300.00	\$39,600.00	0.15%	0.15%
750,000	\$4,045.00	\$48,540.00	\$4,050.00	\$48,600.00	0.12%	0.12%
1,000,000	\$5,295.00	\$63,540.00	\$5,300.00	\$63,600.00	0.09%	0.09%
1,250,000	\$6,545.00	\$78,540.00	\$6,550.00	\$78,600.00	0.08%	0.08%

## LVI-NNG Flex Transport (Cust "C")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$470.00	\$5,640.00	\$475.00	\$5,700.00	1.06%	1.06%
50,000	\$645.00	\$7,740.00	\$650.00	\$7,800.00	0.78%	0.78%
100,000	\$995.00	\$11,940.00	\$1,000.00	\$12,000.00	0.50%	0.50%
250,000	\$2,045.00	\$24,540.00	\$2,050.00	\$24,600.00	0.24%	0.24%
400,000	\$3,095.00	\$37,140.00	\$3,100.00	\$37,200.00	0.16%	0.16%
500,000	\$3,795.00	\$45,540.00	\$3,800.00	\$45,600.00	0.13%	0.13%
600,000	\$4,495.00	\$53,940.00	\$4,500.00	\$54,000.00	0.11%	0.11%
750,000	\$5,545.00	\$66,540.00	\$5,550.00	\$66,600.00	0.09%	0.09%
1,000,000	\$7,295.00	\$87,540.00	\$7,300.00	\$87,600.00	0.07%	0.07%
1,250,000	\$9,045.00	\$108,540.00	\$9,050.00	\$108,600.00	0.06%	0.06%

## LVI-NNG Flex Transport (Cust "D")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$670.00	\$8,040.00	\$675.00	\$8,100.00	0.75%	0.75%
50,000	\$1,045.00	\$12,540.00	\$1,050.00	\$12,600.00	0.48%	0.48%
100,000	\$1,795.00	\$21,540.00	\$1,800.00	\$21,600.00	0.28%	0.28%
250,000	\$4,045.00	\$48,540.00	\$4,050.00	\$48,600.00	0.12%	0.12%
400,000	\$6,295.00	\$75,540.00	\$6,300.00	\$75,600.00	0.08%	0.08%
500,000	\$7,795.00	\$93,540.00	\$7,800.00	\$93,600.00	0.06%	0.06%
600,000	\$9,295.00	\$111,540.00	\$9,300.00	\$111,600.00	0.05%	0.05%
750,000	\$11,545.00	\$138,540.00	\$11,550.00	\$138,600.00	0.04%	0.04%
1,000,000	\$15,295.00	\$183,540.00	\$15,300.00	\$183,600.00	0.03%	0.03%
1,250,000	\$19,045.00	\$228,540.00	\$19,050.00	\$228,600.00	0.03%	0.03%

## LVJ-NNG Flex Transport (Cust "E")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$2,170.00	\$26,040.00	\$2,475.00	\$29,700.00	14.06%	14.06%
50,000	\$2,545.00	\$30,540.00	\$2,850.00	\$34,200.00	11.98%	11.98%
100,000	\$3,295.00	\$39,540.00	\$3,600.00	\$43,200.00	9.26%	9.26%
250,000	\$5,545.00	\$66,540.00	\$5,850.00	\$70,200.00	5.50%	5.50%
400,000	\$7,795.00	\$93,540.00	\$8,100.00	\$97,200.00	3.91%	3.91%
500,000	\$9,295.00	\$111,540.00	\$9,600.00	\$115,200.00	3.28%	3.28%
600,000	\$10,795.00	\$129,540.00	\$11,100.00	\$133,200.00	2.83%	2.83%
750,000	\$13,045.00	\$156,540.00	\$13,350.00	\$160,200.00	2.34%	2.34%
1,000,000	\$16,795.00	\$201,540.00	\$17,100.00	\$205,200.00	1.82%	1.82%
1,250,000	\$20,545.00	\$246,540.00	\$20,850.00	\$250,200.00	1.48%	1.48%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (INCLUDING GAS COSTS)

## LVJ-NNG Flex Transport (Cust "F")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$2,066.25	\$24,795.00	\$2,351.00	\$28,212.00	13.78%	13.78%
50,000	\$2,837.50	\$34,050.00	\$3,202.00	\$38,424.00	12.85%	12.85%
100,000	\$4,380.00	\$52,560.00	\$4,904.00	\$58,848.00	11.96%	11.96%
250,000	\$9,007.50	\$108,090.00	\$10,010.00	\$120,120.00	11.13%	11.13%
400,000	\$13,635.00	\$163,620.00	\$15,116.00	\$181,392.00	10.86%	10.86%
500,000	\$16,720.00	\$200,640.00	\$18,520.00	\$222,240.00	10.77%	10.77%
600,000	\$19,805.00	\$237,660.00	\$21,924.00	\$263,088.00	10.70%	10.70%
750,000	\$24,432.50	\$293,190.00	\$27,030.00	\$324,360.00	10.63%	10.63%
1,000,000	\$32,145.00	\$385,740.00	\$35,540.00	\$426,480.00	10.56%	10.56%
1,250,000	\$39,857.50	\$478,290.00	\$44,050.00	\$528,600.00	10.52%	10.52%

## LVJ-NNG Flex Transport (Cust "G")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$1,045.00	\$12,540.00	\$1,129.75	\$13,557.00	8.11%	8.11%
50,000	\$1,795.00	\$21,540.00	\$1,959.50	\$23,514.00	9.16%	9.16%
100,000	\$3,295.00	\$39,540.00	\$3,619.00	\$43,428.00	9.83%	9.83%
250,000	\$7,795.00	\$93,540.00	\$8,597.50	\$103,170.00	10.30%	10.30%
400,000	\$12,295.00	\$147,540.00	\$13,576.00	\$162,912.00	10.42%	10.42%
500,000	\$15,295.00	\$183,540.00	\$16,895.00	\$202,740.00	10.46%	10.46%
600,000	\$18,295.00	\$219,540.00	\$20,214.00	\$242,568.00	10.49%	10.49%
750,000	\$22,795.00	\$273,540.00	\$25,192.50	\$302,310.00	10.52%	10.52%
1,000,000	\$30,295.00	\$363,540.00	\$33,490.00	\$401,880.00	10.55%	10.55%
1,250,000	\$37,795.00	\$453,540.00	\$41,787.50	\$501,450.00	10.56%	10.56%

## SVI-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$317.45	\$3,809.40	\$328.70	\$3,944.40	3.54%	3.54%
1,000	\$359.90	\$4,318.80	\$377.40	\$4,528.80	4.86%	4.86%
1,500	\$402.35	\$4,828.20	\$426.10	\$5,113.20	5.90%	5.90%
2,000	\$444.80	\$5,337.60	\$474.80	\$5,697.60	6.74%	6.74%
3,000	\$529.70	\$6,356.40	\$572.20	\$6,866.40	8.02%	8.02%
5,000	\$699.50	\$8,394.00	\$767.00	\$9,204.00	9.65%	9.65%
6,000	\$784.40	\$9,412.80	\$864.40	\$10,372.80	10.20%	10.20%
7,500	\$911.75	\$10,941.00	\$1,010.50	\$12,126.00	10.83%	10.83%
9,000	\$1,039.10	\$12,469.20	\$1,156.60	\$13,879.20	11.31%	11.31%
10,000	\$1,124.00	\$13,488.00	\$1,254.00	\$15,048.00	11.57%	11.57%

## LVI-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$1,433.25	\$17,199.00	\$1,632.25	\$19,587.00	13.88%	13.88%
50,000	\$2,571.50	\$30,858.00	\$2,964.50	\$35,574.00	15.28%	15.28%
100,000	\$4,848.00	\$58,176.00	\$5,629.00	\$67,548.00	16.11%	16.11%
250,000	\$11,677.50	\$140,130.00	\$13,622.50	\$163,470.00	16.66%	16.66%
400,000	\$18,507.00	\$222,084.00	\$21,616.00	\$259,392.00	16.80%	16.80%
500,000	\$23,060.00	\$276,720.00	\$26,945.00	\$323,340.00	16.85%	16.85%
600,000	\$27,613.00	\$331,356.00	\$32,274.00	\$387,288.00	16.88%	16.88%
750,000	\$34,442.50	\$413,310.00	\$40,267.50	\$483,210.00	16.91%	16.91%
1,000,000	\$45,825.00	\$549,900.00	\$53,590.00	\$643,080.00	16.94%	16.94%
1,250,000	\$57,207.50	\$686,490.00	\$66,912.50	\$802,950.00	16.96%	16.96%

## SVJ-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$496.95	\$5,963.40	\$544.10	\$6,529.20	9.49%	9.49%
1,000	\$539.40	\$6,472.80	\$592.80	\$7,113.60	9.90%	9.90%
1,500	\$581.85	\$6,982.20	\$641.50	\$7,698.00	10.25%	10.25%
2,000	\$624.30	\$7,491.60	\$690.20	\$8,282.40	10.56%	10.56%
3,000	\$709.20	\$8,510.40	\$787.60	\$9,451.20	11.05%	11.05%
5,000	\$879.00	\$10,548.00	\$982.40	\$11,788.80	11.76%	11.76%
6,000	\$963.90	\$11,566.80	\$1,079.80	\$12,957.60	12.02%	12.02%
7,500	\$1,091.25	\$13,095.00	\$1,225.90	\$14,710.80	12.34%	12.34%
9,000	\$1,218.60	\$14,623.20	\$1,372.00	\$16,464.00	12.59%	12.59%
10,000	\$1,303.50	\$15,642.00	\$1,469.40	\$17,632.80	12.73%	12.73%

## LVJ-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$2,021.25	\$24,255.00	\$2,337.85	\$28,054.20	15.66%	15.66%
50,000	\$3,159.50	\$37,914.00	\$3,670.10	\$44,041.20	16.16%	16.16%
100,000	\$5,436.00	\$65,232.00	\$6,334.60	\$76,015.20	16.53%	16.53%
250,000	\$12,265.50	\$147,186.00	\$14,328.10	\$171,937.20	16.82%	16.82%
400,000	\$19,095.00	\$229,140.00	\$22,321.60	\$267,859.20	16.90%	16.90%
500,000	\$23,648.00	\$283,776.00	\$27,650.60	\$331,807.20	16.93%	16.93%
600,000	\$28,201.00	\$338,412.00	\$32,979.60	\$395,755.20	16.94%	16.94%
750,000	\$35,030.50	\$420,366.00	\$40,973.10	\$491,677.20	16.96%	16.96%
1,000,000	\$46,413.00	\$556,956.00	\$54,295.60	\$651,547.20	16.98%	16.98%
1,250,000	\$57,795.50	\$693,546.00	\$67,618.10	\$811,417.20	17.00%	17.00%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (INCLUDING GAS COSTS)

## SLVI-CONSOLIDATED Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$885.00	\$10,620.00	\$906.50	\$10,878.00	2.43%	2.43%
100,000	\$1,310.00	\$15,720.00	\$1,343.00	\$16,116.00	2.52%	2.52%
200,000	\$2,160.00	\$25,920.00	\$2,216.00	\$26,592.00	2.59%	2.59%
500,000	\$4,710.00	\$56,520.00	\$4,835.00	\$58,020.00	2.65%	2.65%
750,000	\$6,835.00	\$82,020.00	\$7,017.50	\$84,210.00	2.67%	2.67%
1,000,000	\$8,960.00	\$107,520.00	\$9,200.00	\$110,400.00	2.68%	2.68%
1,500,000	\$13,210.00	\$158,520.00	\$13,565.00	\$162,780.00	2.69%	2.69%
2,000,000	\$17,460.00	\$209,520.00	\$17,930.00	\$215,160.00	2.69%	2.69%
2,500,000	\$21,710.00	\$260,520.00	\$22,295.00	\$267,540.00	2.69%	2.69%
3,000,000	\$25,960.00	\$311,520.00	\$26,660.00	\$319,920.00	2.70%	2.70%

## SLVI-CONSOLIDATED Transport-CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$2,109.00	\$25,308.00	\$2,290.00	\$27,480.00	8.58%	8.58%
100,000	\$3,758.00	\$45,096.00	\$4,110.00	\$49,320.00	9.37%	9.37%
200,000	\$7,056.00	\$84,672.00	\$7,750.00	\$93,000.00	9.84%	9.84%
500,000	\$16,950.00	\$203,400.00	\$18,670.00	\$224,040.00	10.15%	10.15%
750,000	\$25,195.00	\$302,340.00	\$27,770.00	\$333,240.00	10.22%	10.22%
1,000,000	\$33,440.00	\$401,280.00	\$36,870.00	\$442,440.00	10.26%	10.26%
1,500,000	\$49,930.00	\$599,160.00	\$55,070.00	\$660,840.00	10.29%	10.29%
2,000,000	\$66,420.00	\$797,040.00	\$73,270.00	\$879,240.00	10.31%	10.31%
2,500,000	\$82,910.00	\$994,920.00	\$91,470.00	\$1,097,640.00	10.32%	10.32%
3,000,000	\$99,400.00	\$1,192,800.00	\$109,670.00	\$1,316,040.00	10.33%	10.33%

## SLVJ-CONSOLIDATED Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$1,709.60	\$20,515.20	\$1,731.10	\$20,773.20	1.26%	1.26%
100,000	\$2,134.60	\$25,615.20	\$2,167.60	\$26,011.20	1.55%	1.55%
200,000	\$2,984.60	\$35,815.20	\$3,040.60	\$36,487.20	1.88%	1.88%
500,000	\$5,534.60	\$66,415.20	\$5,659.60	\$67,915.20	2.26%	2.26%
750,000	\$7,659.60	\$91,915.20	\$7,842.10	\$94,105.20	2.38%	2.38%
1,000,000	\$9,784.60	\$117,415.20	\$10,024.60	\$120,295.20	2.45%	2.45%
1,500,000	\$14,034.60	\$168,415.20	\$14,389.60	\$172,675.20	2.53%	2.53%
2,000,000	\$18,284.60	\$219,415.20	\$18,754.60	\$225,055.20	2.57%	2.57%
2,500,000	\$22,534.60	\$270,415.20	\$23,119.60	\$277,435.20	2.60%	2.60%
3,000,000	\$26,784.60	\$321,415.20	\$27,484.60	\$329,815.20	2.61%	2.61%

## SVI-ALBERT LEA Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$252.45	\$3,029.40	\$328.70	\$3,944.40	30.20%	30.20%
1,000	\$294.90	\$3,538.80	\$377.40	\$4,528.80	27.98%	27.98%
1,500	\$337.35	\$4,048.20	\$426.10	\$5,113.20	26.31%	26.31%
2,000	\$379.80	\$4,557.60	\$474.80	\$5,697.60	25.01%	25.01%
3,000	\$464.70	\$5,576.40	\$572.20	\$6,866.40	23.13%	23.13%
5,000	\$634.50	\$7,614.00	\$767.00	\$9,204.00	20.88%	20.88%
6,000	\$719.40	\$8,632.80	\$864.40	\$10,372.80	20.16%	20.16%
7,500	\$846.75	\$10,161.00	\$1,010.50	\$12,126.00	19.34%	19.34%
9,000	\$974.10	\$11,689.20	\$1,156.60	\$13,879.20	18.74%	18.74%
10,000	\$1,059.00	\$12,708.00	\$1,254.00	\$15,048.00	18.41%	18.41%

## LVI-ALBERT LEA Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$232.77	\$2,793.18	\$326.65	\$3,919.74	40.33%	40.33%
1,000	\$255.53	\$3,066.36	\$353.29	\$4,239.48	38.26%	38.26%
2,500	\$323.83	\$3,885.90	\$433.23	\$5,198.70	33.78%	33.78%
5,000	\$437.65	\$5,251.80	\$566.45	\$6,797.40	29.43%	29.43%
7,500	\$551.48	\$6,617.70	\$699.68	\$8,396.10	26.87%	26.87%
10,000	\$665.30	\$7,983.60	\$832.90	\$9,994.80	25.19%	25.19%
12,500	\$779.13	\$9,349.50	\$966.13	\$11,593.50	24.00%	24.00%
15,000	\$892.95	\$10,715.40	\$1,099.35	\$13,192.20	23.11%	23.11%
17,500	\$1,006.78	\$12,081.30	\$1,232.58	\$14,790.90	22.43%	22.43%
20,000	\$1,120.60	\$13,447.20	\$1,365.80	\$16,389.60	21.88%	21.88%



**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (NOT INCLUDING GAS COSTS)**

MERC Customer Class	Current Revenue \$	Proposed Revenue \$	Increase \$	Increase %	MERC Customer Class	Current Revenue \$	Proposed Revenue \$	Increase \$	Increase %
<b>NNG SALES</b>					<b>NNG TRANSPORT</b>				
GS-NNG Residential Sales	\$51,187,629	\$54,571,386	\$3,383,757	6.6%	SVI-NNG Transport	\$184,073	\$206,489	\$22,417	12.2%
GS-NNG SC&I Sales	\$3,381,901	\$3,721,465	\$339,564	10.0%	LVI-NNG Transport - CIP Applicable	\$1,495,655	\$1,731,553	\$235,898	15.8%
GS-NNG LC&I Sales	\$15,846,990	\$16,061,115	\$214,125	1.4%	LVI-NNG Transport - CIP Exempt	159,065	192,890	\$33,825	21.3%
SVI-NNG Sales	\$2,078,289	\$2,298,184	\$219,895	10.6%	SVJ-NNG Transport	\$302,688	\$341,216	\$38,528	12.7%
LVI-NNG Sales	\$610,524	\$692,319	\$81,795	13.4%	LVJ-NNG Transport - CIP Applicable	\$790,688	\$918,011	\$127,323	16.1%
SVJ-NNG Sales	\$22,567	\$25,165	\$2,598	11.5%	LVJ-NNG Transport - CIP Exempt	\$659,933	\$798,233	\$138,300	21.0%
<b>CONSOLIDATED SALES</b>					<b>CONSOLIDATED TRANSPORT</b>				
GS-CONSOLIDATED Residential Sales	\$8,834,465	\$9,415,441	\$580,977	6.6%	SLVI-NNG Transport-CIP Exempt	\$948,755	\$1,009,133	\$60,378	6.4%
GS-CONSOLIDATED SC&I Sales	\$1,081,435	\$1,192,487	\$111,052	10.3%	SLVI-NNG Transport-CIP Applicable	\$28,566	\$30,926	\$2,360	8.3%
GS-CONSOLIDATED LC&I Sales	\$5,015,562	\$5,082,278	\$66,715	1.3%	SLVJ-NNG Transport-CIP Exempt	\$359,784	\$366,350	\$6,566	1.8%
SVI-CONSOLIDATED Sales	\$460,063	\$500,420	\$40,357	8.8%	Transport for Resale	\$22,650	\$23,315	\$665	2.9%
LVI-CONSOLIDATED Sales	\$183,783	\$211,638	\$27,855	15.2%	LVJ-NNG Flex Transport (Cust "A")	\$209,408	\$234,692	\$25,284	12.1%
SVJ-CONSOLIDATED Sales	\$40,143	\$44,921	\$4,778	11.9%	LVI-NNG Flex Transport (Cust "B")	\$70,254	\$70,314	\$60	0.1%
<b>ALBERT LEA-NNG SALES</b>					<b>ALBERT LEA-NNG TRANSPORT</b>				
GS-ALBERT LEA NNG Residential Sales	\$2,405,946	\$2,856,512	\$450,566	18.7%	LVI-NNG Flex Transport (Cust "C")	\$58,230	\$58,265	\$35	0.1%
GS-ALBERT LEA NNG SC&I Sales	\$115,858	\$179,054	\$63,196	54.5%	LVI-NNG Flex Transport (Cust "D")	\$88,097	\$88,122	\$25	0.0%
GS-ALBERT LEA NNG LC&I Sales	\$693,078	\$856,810	\$163,732	23.6%	LVJ-NNG Flex Transport (Cust "E")	\$114,445	\$118,105	\$3,660	3.2%
SVI-ALBERT LEA NNG Sales	\$184,929	\$246,600	\$61,670	33.3%	LVJ-NNG Flex Transport (Cust "F")	\$169,769	\$189,883	\$20,114	11.8%
LVI-ALBERT LEA NNG Sales	\$63,891	\$81,762	\$17,871	28.0%	LVJ-NNG Flex Transport (Cust "G")	\$100,807	\$113,001	\$12,194	12.1%
<b>SALES TOTAL</b>					<b>SALES TOTAL</b>				
	<b>\$92,207,053</b>	<b>\$98,037,559</b>	<b>\$5,830,505</b>	<b>6.3%</b>					
Note: Base gas costs are included in both the Current Revenues and the Proposed Revenues above.									
					<b>NNG TOTAL</b>				
					<b>CONSOLIDATED TOTAL</b>				
					<b>ALBERT LEA-NNG TOTAL</b>				
					<b>COMPANY TOTAL</b>				
						<b>\$78,890,767</b>	<b>\$83,860,134</b>	<b>\$4,969,367</b>	<b>6.3%</b>
						<b>\$17,361,482</b>	<b>\$18,392,240</b>	<b>\$1,030,758</b>	<b>5.9%</b>
						<b>\$3,560,887</b>	<b>\$4,336,126</b>	<b>\$775,239</b>	<b>21.8%</b>
						<b>\$99,813,136</b>	<b>\$106,588,499</b>	<b>\$6,775,363</b>	<b>6.8%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (NOT INCLUDING GAS COSTS)**

<b>GS-NNG Residential Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	2,025,847	\$9.50	19,245,547	2,025,847	\$9.50	19,245,547	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	146,482,997	\$0.19358	28,356,179	146,482,997	\$0.21349	31,272,655	2,916,476	10.3%
CCRC	146,482,997	\$0.02448	3,585,904	146,482,997	\$0.02767	4,053,185	467,281	13.0%
Cost of Gas	146,482,997	\$0.00000	0	146,482,997	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>51,187,629</b>			<b>54,571,386</b>	<b>3,383,757</b>	<b>6.6%</b>
<b>GS-NNG SC&amp;I Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	101,342	\$18.00	1,824,156	101,342	\$18.00	1,824,156	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	8,598,725	\$0.15668	1,347,248	8,598,725	\$0.19298	1,659,382	312,134	23.2%
CCRC	8,598,725	\$0.02448	210,497	8,598,725	\$0.02767	237,927	27,430	13.0%
Cost of Gas	8,598,725	\$0.00000	0	8,598,725	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>3,381,901</b>			<b>3,721,465</b>	<b>339,564</b>	<b>10.0%</b>
<b>GS-NNG LC&amp;I Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	94,350	\$45.00	4,245,750	94,350	\$45.00	4,245,750	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	69,975,513	\$0.14131	9,888,240	69,975,513	\$0.14118	9,879,143	(9,097)	-0.1%
CCRC	69,975,513	\$0.02448	1,713,001	69,975,513	\$0.02767	1,936,222	223,222	13.0%
Cost of Gas	69,975,513	\$0.00000	0	69,975,513	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>15,846,990</b>			<b>16,061,115</b>	<b>214,125</b>	<b>1.4%</b>
<b>SVI-NNG Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	3,544	\$165.00	584,760	3,544	\$165.00	584,760	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	17,591,624	\$0.06042	1,062,886	17,591,624	\$0.06973	1,226,664	163,778	15.4%
CCRC	17,591,624	\$0.02448	430,643	17,591,624	\$0.02767	486,760	56,117	13.0%
Cost of Gas	17,591,624	\$0.00000	0	17,591,624	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>2,078,289</b>			<b>2,298,184</b>	<b>219,895</b>	<b>10.6%</b>
<b>LVI-NNG Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	706	\$185.00	130,610	706	\$185.00	130,610	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	10,540,614	\$0.02105	221,880	10,540,614	\$0.02562	270,051	48,171	21.7%
CCRC	10,540,614	\$0.02448	258,034	10,540,614	\$0.02767	291,659	33,625	13.0%
Cost of Gas	10,540,614	\$0.00000	0	10,540,614	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>610,524</b>			<b>692,319</b>	<b>81,795</b>	<b>13.4%</b>
<b>SVJ-NNG Sales</b>								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	36	\$165.00	5,940	36	\$165.00	5,940	0	0.0%
Daily Firm Capacity	11,400	\$0.25000	2,850	11,400	\$0.30000	3,420	570	20.0%
Dist. Per Therm (less CCRC)	162,272	\$0.06042	9,804	162,272	\$0.06973	11,315	1,511	15.4%
CCRC	162,272	\$0.02448	3,972	162,272	\$0.02767	4,490	518	13.0%
Cost of Gas	162,272	\$0.00000	0	162,272	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>22,567</b>			<b>25,165</b>	<b>2,598</b>	<b>11.5%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (NOT INCLUDING GAS COSTS)**

**GS-CONSOLIDATED Residential Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	352,647	\$9.50	3,350,147	352,647	\$9.50	3,350,147	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	25,150,501	\$0.19358	4,868,634	25,150,501	\$0.21349	5,369,380	500,746	10.3%
CCRC	25,150,501	\$0.02448	615,684	25,150,501	\$0.02767	695,914	80,230	13.0%
Cost of Gas	25,150,501	\$0.00000	0	25,150,501	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>8,834,465</b>			<b>9,415,441</b>	<b>580,977</b>	<b>6.6%</b>

**GS-CONSOLIDATED SC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	31,777	\$18.00	571,986	31,777	\$18.00	571,986	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	2,812,151	\$0.15668	440,608	2,812,151	\$0.19298	542,689	102,081	23.2%
CCRC	2,812,151	\$0.02448	68,841	2,812,151	\$0.02767	77,812	8,971	13.0%
Cost of Gas	2,812,151	\$0.00000	0	2,812,151	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>1,081,435</b>			<b>1,192,487</b>	<b>111,052</b>	<b>10.3%</b>

**GS-CONSOLIDATED LC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	31,132	\$45.00	1,400,940	31,132	\$45.00	1,400,940	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	21,802,415	\$0.14131	3,080,899	21,802,415	\$0.14118	3,078,065	(2,834)	-0.1%
CCRC	21,802,415	\$0.02448	533,723	21,802,415	\$0.02767	603,273	69,550	13.0%
Cost of Gas	21,802,415	\$0.00000	0	21,802,415	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>5,015,562</b>			<b>5,082,278</b>	<b>66,715</b>	<b>1.3%</b>

**SVI-CONSOLIDATED Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	1,127	\$165.00	185,955	1,127	\$165.00	185,955	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	3,228,598	\$0.06042	195,072	3,228,598	\$0.06973	225,130	30,058	15.4%
CCRC	3,228,598	\$0.02448	79,036	3,228,598	\$0.02767	89,335	10,299	13.0%
Cost of Gas	3,228,598	\$0.00000	0	3,228,598	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>460,063</b>			<b>500,420</b>	<b>40,357</b>	<b>8.8%</b>

**LVI-CONSOLIDATED Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	110	\$185.00	20,350	110	\$185.00	20,350	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	3,589,566	\$0.02105	75,560	3,589,566	\$0.02562	91,965	16,404	21.7%
CCRC	3,589,566	\$0.02448	87,873	3,589,566	\$0.02767	99,323	11,451	13.0%
Cost of Gas	3,589,566	\$0.00000	0	3,589,566	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>183,783</b>			<b>211,638</b>	<b>27,855</b>	<b>15.2%</b>

**SVJ-CONSOLIDATED Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	61	\$165.00	10,065	61	\$165.00	10,065	0	0.0%
Daily Firm Capacity	26,520	\$0.25000	6,630	26,520	\$0.30000	7,956	1,326	20.0%
Dist. Per Therm (less CCRC)	276,182	\$0.06042	16,687	276,182	\$0.06973	19,258	2,571	15.4%
CCRC	276,182	\$0.02448	6,761	276,182	\$0.02767	7,642	881	13.0%
Cost of Gas	276,182	\$0.00000	0	276,182	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>40,143</b>			<b>44,921</b>	<b>4,778</b>	<b>11.9%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
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**GS-ALBERT LEA NNG Residential Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	113,754	\$5.00	568,770	113,754	\$7.25	824,717	255,947	45.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	8,425,092	\$0.19358	1,630,929	8,425,092	\$0.21349	1,798,673	167,744	10.3%
CCRC	8,425,092	\$0.02448	206,246	8,425,092	\$0.02767	233,122	26,876	13.0%
Cost of Gas	8,425,092	\$0.00000	0	8,425,092	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>2,405,946</b>			<b>2,856,512</b>	<b>450,566</b>	<b>18.7%</b>

**GS-ALBERT LEA NNG SC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	7,013	\$5.00	35,065	7,013	\$11.50	80,650	45,585	130.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	445,976	\$0.15668	69,876	445,976	\$0.19298	86,064	16,189	23.2%
CCRC	445,976	\$0.02448	10,917	445,976	\$0.02767	12,340	1,423	13.0%
Cost of Gas	445,976	\$0.00000	\$0.00000	445,976	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>115,858</b>			<b>179,054</b>	<b>63,196</b>	<b>54.5%</b>

**GS-ALBERT LEA NNG LC&I Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	7,582	\$5.00	37,910	7,582	\$25.00	189,550	151,640	400.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	3,951,793	\$0.14131	558,428	3,951,793	\$0.14118	557,914	(514)	-0.1%
CCRC	3,951,793	\$0.02448	96,740	3,951,793	\$0.02767	109,346	12,606	13.0%
Cost of Gas	3,951,793	\$0.00000	\$0.00000	3,951,793	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>693,078</b>			<b>856,810</b>	<b>163,732</b>	<b>23.6%</b>

**SVI-ALBERT LEA NNG Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	469	\$14.00	6,566	469	\$89.50	41,976	35,410	539.3%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	2,100,864	\$0.06042	126,934	2,100,864	\$0.06973	146,493	19,559	15.4%
CCRC	2,100,864	\$0.02448	51,429	2,100,864	\$0.02767	58,131	6,702	13.0%
Cost of Gas	2,100,864	\$0.00000	0	2,100,864	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>184,929</b>			<b>246,600</b>	<b>61,670</b>	<b>33.3%</b>

**LVI-ALBERT LEA NNG Sales**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	84	\$14.00	1,176	84	\$99.50	8,358	7,182	610.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,377,451	\$0.02105	28,995	1,377,451	\$0.02562	35,290	6,295	21.7%
CCRC	1,377,451	\$0.02448	33,720	1,377,451	\$0.02767	38,114	4,394	13.0%
Cost of Gas	1,377,451	\$0.00000	0	1,377,451	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>63,891</b>			<b>81,762</b>	<b>17,871</b>	<b>28.0%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
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**SVI-NNG Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	132	\$275.00	36,300	132	\$280.00	36,960	660	1.8%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,740,548	\$0.06042	105,164	1,740,548	\$0.06973	121,368	16,205	15.4%
CCRC	1,740,548	\$0.02448	42,609	1,740,548	\$0.02767	48,161	5,552	13.0%
Cost of Gas	1,740,548	\$0.00000	0	1,740,548	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>184,073</b>			<b>206,489</b>	<b>22,417</b>	<b>12.2%</b>

**LVI-NNG Transport - CIP Applicable**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	420	\$295.00	123,900	420	\$300.00	126,000	2,100	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	30,128,606	\$0.02105	634,207	30,128,606	\$0.02562	771,895	137,688	21.7%
CCRC	30,128,606	\$0.02448	737,548	30,128,606	\$0.02767	833,659	96,110	13.0%
Cost of Gas	30,128,606	\$0.00000	0	30,128,606	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>1,495,655</b>			<b>1,731,553</b>	<b>235,898</b>	<b>15.8%</b>

**LVI-NNG Transport - CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	7,388,353	\$0.02105	155,525	7,388,353	\$0.02562	189,290	33,765	21.7%
CCRC	7,388,353	\$0.00000	0	7,388,353	\$0.00000	0	0	0.0%
Cost of Gas	7,388,353	\$0.00000	0	7,388,353	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>159,065</b>			<b>192,890</b>	<b>33,825</b>	<b>21.3%</b>

**SVJ-NNG Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	243	\$275.00	66,825	243	\$280.00	68,040	1,215	1.8%
Daily Firm Capacity	196,056	\$0.25000	49,014	196,056	\$0.30000	58,817	9,803	20.0%
Dist. Per Therm (less CCRC)	2,200,810	\$0.06042	132,973	2,200,810	\$0.06973	153,462	20,490	15.4%
CCRC	2,200,810	\$0.02448	53,876	2,200,810	\$0.02767	60,896	7,021	13.0%
Cost of Gas	2,200,810	\$0.00000	0	2,200,810	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>302,688</b>			<b>341,216</b>	<b>38,528</b>	<b>12.7%</b>

**LVJ-NNG Transport - CIP Applicable**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	271	\$295.00	79,945	271	\$300.00	81,300	1,355	1.7%
Daily Firm Capacity	653,712	\$0.25000	163,428	653,712	\$0.30000	196,114	32,686	20.0%
Dist. Per Therm (less CCRC)	12,020,965	\$0.02105	253,041	12,020,965	\$0.02562	307,977	54,936	21.7%
CCRC	12,020,965	\$0.02448	294,273	12,020,965	\$0.02767	332,620	38,347	13.0%
Cost of Gas	12,020,965	\$0.00000	0	12,020,965	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>790,688</b>			<b>918,011</b>	<b>127,323</b>	<b>16.1%</b>

**LVJ-NNG Transport - CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	36	\$295.00	10,620	36	\$300.00	10,800	180	1.7%
Daily Firm Capacity	666,000	\$0.25000	166,500	666,000	\$0.30000	199,800	33,300	20.0%
Dist. Per Therm (less CCRC)	22,936,508	\$0.02105	482,813	22,936,508	\$0.02562	587,633	104,820	21.7%
CCRC	22,936,508	\$0.00000	0	22,936,508	\$0.00000	0	0	0.0%
Cost of Gas	22,936,508	\$0.00000	0	22,936,508	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>659,933</b>			<b>798,233</b>	<b>138,300</b>	<b>21.0%</b>

**SLVI-NNG Transport-CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	139	\$460.00	63,940	139	\$470.00	65,330	1,390	2.2%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	210,670,306	\$0.00420	884,815	210,670,306	\$0.00448	943,803	58,988	6.7%
CCRC	210,670,306	\$0.00000	0	210,670,306	\$0.00000	0	0	0.0%
Cost of Gas	210,670,306	\$0.00000	0	210,670,306	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>948,755</b>			<b>1,009,133</b>	<b>60,378</b>	<b>6.4%</b>

**SLVI-NNG Transport-CIP Applicable**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$460.00	11,040	24	\$470.00	11,280	240	2.2%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	611,080	\$0.00420	2,567	611,080	\$0.00448	2,738	171	6.7%
CCRC	611,080	\$0.02448	14,959	611,080	\$0.02767	16,909	1,949	13.0%
Cost of Gas	611,080	\$0.00000	0	611,080	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>28,566</b>			<b>30,926</b>	<b>2,360</b>	<b>8.3%</b>

**SLVJ-NNG Transport-CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$460.00	11,040	24	\$470.00	11,280	240	2.2%
Daily Firm Capacity	4,094,400	\$0.06200	253,853	4,094,400	\$0.06200	253,853	0	0.0%
Dist. Per Therm (less CCRC)	22,593,093	\$0.00420	94,891	22,593,093	\$0.00448	101,217	6,326	6.7%
CCRC	22,593,093	\$0.00000	0	22,593,093	\$0.00000	0	0	0.0%
Cost of Gas	22,593,093	\$0.00000	0	22,593,093	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>359,784</b>			<b>366,350</b>	<b>6,566</b>	<b>1.8%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION**  
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Transport for Resale								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	265,416	\$0.04752	12,613	265,416	\$0.04661	12,371	(242)	-1.9%
CCRC	265,416	\$0.02448	6,497	265,416	\$0.02767	7,344	847	13.0%
Cost of Gas	265,416	\$0.00000	0	265,416	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>22,650</b>			<b>23,315</b>	<b>665</b>	<b>2.9%</b>
LVJ-NNG Flex Transport (Cust "A")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	114,000	\$0.25000	28,500	114,000	\$0.30000	34,200	5,700	20.0%
Dist. Per Therm (less CCRC)	6,120,353	\$0.00450	27,542	6,120,353	\$0.00450	27,542	0	0.0%
CCRC	6,120,353	\$0.02448	149,826	6,120,353	\$0.02767	169,350	19,524	13.0%
Cost of Gas	6,120,353	\$0.00000	0	6,120,353	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>209,408</b>			<b>234,692</b>	<b>25,284</b>	<b>12.1%</b>
LVI-NNG Flex Transport (Cust "B")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	13,342,714	\$0.00500	66,714	13,342,714	\$0.00500	66,714	0	0.0%
CCRC	13,342,714	\$0.00000	0	13,342,714	\$0.00000	0	0	0.0%
Cost of Gas	13,342,714	\$0.00000	0	13,342,714	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>70,254</b>			<b>70,314</b>	<b>60</b>	<b>0.1%</b>
LVI-NNG Flex Transport (Cust "C")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	7	\$295.00	2,065	7	\$300.00	2,100	35	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	8,023,625	\$0.00700	56,165	8,023,625	\$0.00700	56,165	0	0.0%
CCRC	8,023,625	\$0.00000	0	8,023,625	\$0.00000	0	0	0.0%
Cost of Gas	8,023,625	\$0.00000	0	8,023,625	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>58,230</b>			<b>58,265</b>	<b>35</b>	<b>0.1%</b>
LVI-NNG Flex Transport (Cust "D")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	5	\$295.00	1,475	5	\$300.00	1,500	25	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	5,774,816	\$0.01500	86,622	5,774,816	\$0.01500	86,622	0	0.0%
CCRC	5,774,816	\$0.00000	0	5,774,816	\$0.00000	0	0	0.0%
Cost of Gas	5,774,816	\$0.00000	0	5,774,816	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>88,097</b>			<b>88,122</b>	<b>25</b>	<b>0.0%</b>
LVJ-NNG Flex Transport (Cust "E")								
	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$295.00	3,540	12	\$300.00	3,600	60	1.7%
Daily Firm Capacity	72,000	\$0.25000	18,000	72,000	\$0.30000	21,600	3,600	20.0%
Dist. Per Therm (less CCRC)	6,193,680	\$0.01500	92,905	6,193,680	\$0.01500	92,905	0	0.0%
CCRC	6,193,680	\$0.00000	0	6,193,680	\$0.00000	0	0	0.0%
Cost of Gas	6,193,680	\$0.00000	0	6,193,680	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>114,445</b>			<b>118,105</b>	<b>3,660</b>	<b>3.2%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
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**LVJ-NNG Flex Transport (Cust "F")**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	36	\$295.00	10,620	36	\$300.00	10,800	180	1.7%
Daily Firm Capacity	144,000	\$0.25000	36,000	144,000	\$0.30000	43,200	7,200	20.0%
Dist. Per Therm (less CCRC)	3,991,875	\$0.00637	25,428	3,991,875	\$0.00637	25,428	0	0.0%
CCRC	3,991,875	\$0.02448	97,721	3,991,875	\$0.02767	110,455	12,734	13.0%
Cost of Gas	3,991,875	\$0.00000	0	3,991,875	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>169,769</b>			<b>189,883</b>	<b>20,114</b>	<b>11.8%</b>

**LVJ-NNG Flex Transport (Cust "G")**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$295.00	7,080	24	\$300.00	7,200	120	1.7%
Daily Firm Capacity	90,000	\$0.25000	22,500	90,000	\$0.30000	27,000	4,500	20.0%
Dist. Per Therm (less CCRC)	2,374,234	\$0.00552	13,106	2,374,234	\$0.00552	13,106	0	0.0%
CCRC	2,374,234	\$0.02448	58,121	2,374,234	\$0.02767	65,695	7,574	13.0%
Cost of Gas	2,374,234	\$0.00000	0	2,374,234	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>100,807</b>			<b>113,001</b>	<b>12,194</b>	<b>12.1%</b>

**SVI-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	162	\$275.00	44,550	162	\$280.00	45,360	810	1.8%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,556,897	\$0.06042	94,068	1,556,897	\$0.06973	108,562	14,495	15.4%
CCRC	1,556,897	\$0.02448	38,113	1,556,897	\$0.02767	43,079	4,967	13.0%
Cost of Gas	1,556,897	\$0.00000	0	1,556,897	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>176,731</b>			<b>197,002</b>	<b>20,271</b>	<b>11.5%</b>

**LVI-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	121	\$295.00	35,695	121	\$300.00	36,300	605	1.7%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	11,113,486	\$0.02105	233,939	11,113,486	\$0.02562	284,728	50,789	21.7%
CCRC	11,113,486	\$0.02448	272,058	11,113,486	\$0.02767	307,510	35,452	13.0%
Cost of Gas	11,113,486	\$0.00000	0	11,113,486	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>541,692</b>			<b>628,538</b>	<b>86,846</b>	<b>16.0%</b>

**SVJ-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	132	\$275.00	36,300	132	\$280.00	36,960	660	1.8%
Daily Firm Capacity	94,800	\$0.25000	23,700	94,800	\$0.30000	28,440	4,740	20.0%
Dist. Per Therm (less CCRC)	755,410	\$0.06042	45,642	755,410	\$0.06973	52,675	7,033	15.4%
CCRC	755,410	\$0.02448	18,492	755,410	\$0.02767	20,902	2,410	13.0%
Cost of Gas	755,410	\$0.00000	0	755,410	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>124,134</b>			<b>138,977</b>	<b>14,843</b>	<b>12.0%</b>

**LVJ-CONSOLIDATED Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	144	\$295.00	42,480	144	\$300.00	43,200	720	1.7%
Daily Firm Capacity	338,640	\$0.25000	84,660	338,640	\$0.30000	101,592	16,932	20.0%
Dist. Per Therm (less CCRC)	6,292,732	\$0.02105	132,462	6,292,732	\$0.02562	161,220	28,758	21.7%
CCRC	6,292,732	\$0.02448	154,046	6,292,732	\$0.02767	174,120	20,074	13.0%
Cost of Gas	6,292,732	\$0.00000	0	6,292,732	\$0.00000	0	0	0.0%
<b>TOTAL</b>			<b>413,648</b>			<b>480,132</b>	<b>66,484</b>	<b>16.1%</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (NOT INCLUDING GAS COSTS)**

**SLVI-CONSOLIDATED Transport-CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	0	\$460.00	0	0	\$470.00	0	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	0	\$0.00850	0	0	\$0.00873	0	0	0.0%
CCRC	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Cost of Gas	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
<b>TOTAL</b>			0			0	0	0.0%

**SLVI-CONSOLIDATED Transport-CIP Applicable**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	0	\$460.00	0	0	\$470.00	0	0	0.0%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	0	\$0.00850	0	0	\$0.00873	0	0	0.0%
CCRC	0	\$0.02448	0	0	\$0.02767	0	0	0.0%
Cost of Gas	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
<b>TOTAL</b>			0			0	0	0.0%

**SLVJ-CONSOLIDATED Transport-CIP Exempt**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	108	\$460.00	49,680	108	\$470.00	50,760	1,080	2.2%
Daily Firm Capacity	1,436,400	\$0.06200	89,057	1,436,400	\$0.06200	89,057	0	0.0%
Dist. Per Therm (less CCRC)	41,304,638	\$0.00850	351,089	41,304,638	\$0.00873	360,589	9,500	2.7%
CCRC	41,304,638	\$0.00000	0	41,304,638	\$0.00000	0	0	0.0%
Cost of Gas	41,304,638	\$0.00000	0	41,304,638	\$0.00000	0	0	0.0%
<b>TOTAL</b>			489,826			500,406	10,580	2.2%

**SVI-ALBERT LEA Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	12	\$210.00	2,520	12	\$280.00	3,360	840	33.3%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	36,816	\$0.06042	2,224	36,816	\$0.06973	2,567	343	15.4%
CCRC	36,816	\$0.02448	901	36,816	\$0.02767	1,019	117	13.0%
Cost of Gas	36,816	\$0.00000	0	36,816	\$0.00000	0	0	0.0%
<b>TOTAL</b>			5,646			6,946	1,300	23.0%

**LVI-ALBERT LEA Transport**

	Units	Current Rate	Current Revenue \$	Units	Proposed Rate	Proposed Revenue \$	Increase \$	Increase %
Fixed Monthly Charge	24	\$210.00	5,040	24	\$300.00	7,200	2,160	42.9%
Daily Firm Capacity	0	\$0.00000	0	0	\$0.00000	0	0	0.0%
Dist. Per Therm (less CCRC)	1,899,825	\$0.02105	39,991	1,899,825	\$0.02562	48,674	8,682	21.7%
CCRC	1,899,825	\$0.02448	46,508	1,899,825	\$0.02767	52,568	6,060	13.0%
Cost of Gas	1,899,825	\$0.00000	0	1,899,825	\$0.00000	0	0	0.0%
<b>TOTAL</b>			91,539			108,442	16,903	18.5%



MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (NOT INCLUDING GAS COSTS)

## GS-NNG Residential Sales

Monthly Therm Consumption	Bill Under Current Rates		Bill Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	25	\$14.95	\$179.42	\$15.53	\$186.35	3.86%
30	\$16.04	\$192.50	\$16.73	\$200.82	4.32%	4.32%
45	\$19.31	\$231.75	\$20.35	\$244.23	5.38%	5.38%
60	\$22.58	\$271.00	\$23.97	\$287.64	6.14%	6.14%
75	\$25.85	\$310.25	\$27.59	\$331.04	6.70%	6.70%
100	\$31.31	\$375.67	\$33.62	\$403.39	7.38%	7.38%
125	\$36.76	\$441.09	\$39.65	\$475.74	7.86%	7.86%
150	\$42.21	\$506.51	\$45.67	\$548.09	8.21%	8.21%
200	\$53.11	\$637.34	\$57.73	\$692.78	8.70%	8.70%
250	\$64.02	\$768.18	\$69.79	\$837.48	9.02%	9.02%

## GS-NNG SC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	25	\$22.53	\$270.35	\$23.52	\$282.20	4.38%
30	\$23.43	\$281.22	\$24.62	\$295.43	5.06%	5.06%
45	\$26.15	\$313.83	\$27.93	\$335.15	6.80%	6.80%
60	\$28.87	\$346.44	\$31.24	\$374.87	8.21%	8.21%
75	\$31.59	\$379.04	\$34.55	\$414.59	9.38%	9.38%
100	\$36.12	\$433.39	\$40.07	\$480.78	10.93%	10.93%
125	\$40.65	\$487.74	\$45.58	\$546.98	12.14%	12.14%
150	\$45.17	\$542.09	\$51.10	\$613.17	13.11%	13.11%
200	\$54.23	\$650.78	\$62.13	\$745.56	14.56%	14.56%
250	\$63.29	\$759.48	\$73.16	\$877.95	15.60%	15.60%

## GS-NNG LC&amp;I Sales

Monthly Therm Consumption	Bill Under Current Rates		Bill Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	50	\$53.29	\$639.47	\$53.44	\$641.31	0.29%
100	\$61.58	\$738.95	\$61.89	\$742.62	0.50%	0.50%
200	\$78.16	\$937.90	\$78.77	\$945.24	0.78%	0.78%
300	\$94.74	\$1,136.84	\$95.66	\$1,147.86	0.97%	0.97%
400	\$111.32	\$1,335.79	\$112.54	\$1,350.48	1.10%	1.10%
500	\$127.90	\$1,534.74	\$129.43	\$1,553.10	1.20%	1.20%
600	\$144.47	\$1,733.69	\$146.31	\$1,755.72	1.27%	1.27%
750	\$169.34	\$2,032.11	\$171.64	\$2,059.65	1.36%	1.36%
900	\$194.21	\$2,330.53	\$196.97	\$2,363.58	1.42%	1.42%
1,000	\$210.79	\$2,529.48	\$213.85	\$2,566.20	1.45%	1.45%

## SVI-NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$207.45	\$2,489.40	\$213.70	\$2,564.40	3.01%
1,000	\$249.90	\$2,998.80	\$262.40	\$3,148.80	5.00%	5.00%
1,500	\$292.35	\$3,508.20	\$311.10	\$3,733.20	6.41%	6.41%
2,000	\$334.80	\$4,017.60	\$359.80	\$4,317.60	7.47%	7.47%
3,000	\$419.70	\$5,036.40	\$457.20	\$5,486.40	8.93%	8.93%
5,000	\$589.50	\$7,074.00	\$652.00	\$7,824.00	10.60%	10.60%
6,000	\$674.40	\$8,092.80	\$749.40	\$8,992.80	11.12%	11.12%
7,500	\$801.75	\$9,621.00	\$895.50	\$10,746.00	11.69%	11.69%
9,000	\$929.10	\$11,149.20	\$1,041.60	\$12,499.20	12.11%	12.11%
10,000	\$1,014.00	\$12,168.00	\$1,139.00	\$13,668.00	12.33%	12.33%

## LVI-NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$207.77	\$2,493.18	\$211.65	\$2,539.74	1.87%
1,000	\$230.53	\$2,766.36	\$238.29	\$2,859.48	3.37%	3.37%
2,500	\$298.83	\$3,585.90	\$318.23	\$3,818.70	6.49%	6.49%
5,000	\$412.65	\$4,951.80	\$451.45	\$5,417.40	9.40%	9.40%
7,500	\$526.48	\$6,317.70	\$584.68	\$7,016.10	11.05%	11.05%
10,000	\$640.30	\$7,683.60	\$717.90	\$8,614.80	12.12%	12.12%
12,500	\$754.13	\$9,049.50	\$851.13	\$10,213.50	12.86%	12.86%
15,000	\$867.95	\$10,415.40	\$984.35	\$11,812.20	13.41%	13.41%
17,500	\$981.78	\$11,781.30	\$1,117.58	\$13,410.90	13.83%	13.83%
20,000	\$1,095.60	\$13,147.20	\$1,250.80	\$15,009.60	14.17%	14.17%

## SVJ-NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$286.70	\$3,440.40	\$292.95	\$3,515.40	2.18%
1,000	\$329.15	\$3,949.80	\$341.65	\$4,099.80	3.80%	3.80%
1,500	\$371.60	\$4,459.20	\$390.35	\$4,684.20	5.05%	5.05%
2,000	\$414.05	\$4,968.60	\$439.05	\$5,268.60	6.04%	6.04%
3,000	\$498.95	\$5,987.40	\$536.45	\$6,437.40	7.52%	7.52%
5,000	\$668.75	\$8,025.00	\$731.25	\$8,775.00	9.35%	9.35%
6,000	\$753.65	\$9,043.80	\$828.65	\$9,943.80	9.95%	9.95%
7,500	\$881.00	\$10,572.00	\$974.75	\$11,697.00	10.64%	10.64%
9,000	\$1,008.35	\$12,100.20	\$1,120.85	\$13,450.20	11.16%	11.16%
10,000	\$1,093.25	\$13,119.00	\$1,218.25	\$14,619.00	11.43%	11.43%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (NOT INCLUDING GAS COSTS)

## GS-CONSOLIDATED Residential Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	25	\$14.95	\$179.42	\$15.53	\$186.35	3.86%
30	\$16.04	\$192.50	\$16.73	\$200.82	4.32%	4.32%
45	\$19.31	\$231.75	\$20.35	\$244.23	5.38%	5.38%
60	\$22.58	\$271.00	\$23.97	\$287.64	6.14%	6.14%
75	\$25.85	\$310.25	\$27.59	\$331.04	6.70%	6.70%
100	\$31.31	\$375.67	\$33.62	\$403.39	7.38%	7.38%
125	\$36.76	\$441.09	\$39.65	\$475.74	7.86%	7.86%
150	\$42.21	\$506.51	\$45.67	\$548.09	8.21%	8.21%
200	\$53.11	\$637.34	\$57.73	\$692.78	8.70%	8.70%
250	\$64.02	\$768.18	\$69.79	\$837.48	9.02%	9.02%

## GS-CONSOLIDATED SC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	25	\$22.53	\$270.35	\$23.52	\$282.20	4.38%
30	\$23.43	\$281.22	\$24.62	\$295.43	5.06%	5.06%
45	\$26.15	\$313.83	\$27.93	\$335.15	6.80%	6.80%
60	\$28.87	\$346.44	\$31.24	\$374.87	8.21%	8.21%
75	\$31.59	\$379.04	\$34.55	\$414.59	9.38%	9.38%
100	\$36.12	\$433.39	\$40.07	\$480.78	10.93%	10.93%
125	\$40.65	\$487.74	\$45.58	\$546.98	12.14%	12.14%
150	\$45.17	\$542.09	\$51.10	\$613.17	13.11%	13.11%
200	\$54.23	\$650.78	\$62.13	\$745.56	14.56%	14.56%
250	\$63.29	\$759.48	\$73.16	\$877.95	15.60%	15.60%

## GS-CONSOLIDATED LC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	50	\$53.29	\$639.47	\$53.44	\$641.31	0.29%
100	\$61.58	\$738.95	\$61.89	\$742.62	0.50%	0.50%
200	\$78.16	\$937.90	\$78.77	\$945.24	0.78%	0.78%
300	\$94.74	\$1,136.84	\$95.66	\$1,147.86	0.97%	0.97%
400	\$111.32	\$1,335.79	\$112.54	\$1,350.48	1.10%	1.10%
500	\$127.90	\$1,534.74	\$129.43	\$1,553.10	1.20%	1.20%
600	\$144.47	\$1,733.69	\$146.31	\$1,755.72	1.27%	1.27%
750	\$169.34	\$2,032.11	\$171.64	\$2,059.65	1.36%	1.36%
900	\$194.21	\$2,330.53	\$196.97	\$2,363.58	1.42%	1.42%
1,000	\$210.79	\$2,529.48	\$213.85	\$2,566.20	1.45%	1.45%

## SVI-CONSOLIDATED Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$207.45	\$2,489.40	\$213.70	\$2,564.40	3.01%
1,000	\$249.90	\$2,998.80	\$262.40	\$3,148.80	5.00%	5.00%
1,500	\$292.35	\$3,508.20	\$311.10	\$3,733.20	6.41%	6.41%
2,000	\$334.80	\$4,017.60	\$359.80	\$4,317.60	7.47%	7.47%
3,000	\$419.70	\$5,036.40	\$457.20	\$5,486.40	8.93%	8.93%
5,000	\$589.50	\$7,074.00	\$652.00	\$7,824.00	10.60%	10.60%
6,000	\$674.40	\$8,092.80	\$749.40	\$8,992.80	11.12%	11.12%
7,500	\$801.75	\$9,621.00	\$895.50	\$10,746.00	11.69%	11.69%
9,000	\$929.10	\$11,149.20	\$1,041.60	\$12,499.20	12.11%	12.11%
10,000	\$1,014.00	\$12,168.00	\$1,139.00	\$13,668.00	12.33%	12.33%

## LVI-CONSOLIDATED Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$207.77	\$2,493.18	\$211.65	\$2,539.74	1.87%
1,000	\$230.53	\$2,766.36	\$238.29	\$2,859.48	3.37%	3.37%
2,500	\$298.83	\$3,585.90	\$318.23	\$3,818.70	6.49%	6.49%
5,000	\$412.65	\$4,951.80	\$451.45	\$5,417.40	9.40%	9.40%
7,500	\$526.48	\$6,317.70	\$584.68	\$7,016.10	11.05%	11.05%
10,000	\$640.30	\$7,683.60	\$717.90	\$8,614.80	12.12%	12.12%
12,500	\$754.13	\$9,049.50	\$851.13	\$10,213.50	12.86%	12.86%
15,000	\$867.95	\$10,415.40	\$984.35	\$11,812.20	13.41%	13.41%
17,500	\$981.78	\$11,781.30	\$1,117.58	\$13,410.90	13.83%	13.83%
20,000	\$1,095.60	\$13,147.20	\$1,250.80	\$15,009.60	14.17%	14.17%

## SVJ-CONSOLIDATED Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$316.20	\$3,794.40	\$344.20	\$4,130.40	8.86%
1,000	\$358.65	\$4,303.80	\$392.90	\$4,714.80	9.55%	9.55%
1,500	\$401.10	\$4,813.20	\$441.60	\$5,299.20	10.10%	10.10%
2,000	\$443.55	\$5,322.60	\$490.30	\$5,883.60	10.54%	10.54%
3,000	\$528.45	\$6,341.40	\$587.70	\$7,052.40	11.21%	11.21%
5,000	\$698.25	\$8,379.00	\$782.50	\$9,390.00	12.07%	12.07%
6,000	\$783.15	\$9,397.80	\$879.90	\$10,558.80	12.35%	12.35%
7,500	\$910.50	\$10,926.00	\$1,026.00	\$12,312.00	12.69%	12.69%
9,000	\$1,037.85	\$12,454.20	\$1,172.10	\$14,065.20	12.94%	12.94%
10,000	\$1,122.75	\$13,473.00	\$1,269.50	\$15,234.00	13.07%	13.07%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (NOT INCLUDING GAS COSTS)

## GS-ALBERT LEA NNG Residential Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25	\$10.45	\$125.42	\$13.28	\$159.35	27.05%	27.05%
30	\$11.54	\$138.50	\$14.48	\$173.82	25.50%	25.50%
45	\$14.81	\$177.75	\$18.10	\$217.23	22.21%	22.21%
60	\$18.08	\$217.00	\$21.72	\$260.64	20.11%	20.11%
75	\$21.35	\$256.25	\$25.34	\$304.04	18.65%	18.65%
100	\$26.81	\$321.67	\$31.37	\$376.39	17.01%	17.01%
125	\$32.26	\$387.09	\$37.40	\$448.74	15.93%	15.93%
150	\$37.71	\$452.51	\$43.42	\$521.09	15.16%	15.16%
200	\$48.61	\$583.34	\$55.48	\$665.78	14.13%	14.13%
250	\$59.52	\$714.18	\$67.54	\$810.48	13.48%	13.48%

## GS-ALBERT LEA NNG SC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25	\$9.53	\$114.35	\$17.02	\$204.20	78.57%	78.57%
30	\$10.43	\$125.22	\$18.12	\$217.43	73.64%	73.64%
45	\$13.15	\$157.83	\$21.43	\$257.15	62.93%	62.93%
60	\$15.87	\$190.44	\$24.74	\$296.87	55.89%	55.89%
75	\$18.59	\$223.04	\$28.05	\$336.59	50.91%	50.91%
100	\$23.12	\$277.39	\$33.57	\$402.78	45.20%	45.20%
125	\$27.65	\$331.74	\$39.08	\$468.98	41.37%	41.37%
150	\$32.17	\$386.09	\$44.60	\$535.17	38.61%	38.61%
200	\$41.23	\$494.78	\$55.63	\$667.56	34.92%	34.92%
250	\$50.29	\$603.48	\$66.66	\$799.95	32.56%	32.56%

## GS-ALBERT LEA NNG LC&amp;I Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50	\$13.29	\$159.47	\$33.44	\$401.31	151.65%	151.65%
100	\$21.58	\$258.95	\$41.89	\$502.62	94.10%	94.10%
200	\$38.16	\$457.90	\$58.77	\$705.24	54.02%	54.02%
300	\$54.74	\$656.84	\$75.66	\$907.86	38.22%	38.22%
400	\$71.32	\$855.79	\$92.54	\$1,110.48	29.76%	29.76%
500	\$87.90	\$1,054.74	\$109.43	\$1,313.10	24.50%	24.50%
600	\$104.47	\$1,253.69	\$126.31	\$1,515.72	20.90%	20.90%
750	\$129.34	\$1,552.11	\$151.64	\$1,819.65	17.24%	17.24%
900	\$154.21	\$1,850.53	\$176.97	\$2,123.58	14.76%	14.76%
1,000	\$170.79	\$2,049.48	\$193.85	\$2,326.20	13.50%	13.50%

## SVI-ALBERT LEA NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$56.45	\$677.40	\$138.20	\$1,658.40	144.82%	144.82%
1,000	\$98.90	\$1,186.80	\$186.90	\$2,242.80	88.98%	88.98%
1,500	\$141.35	\$1,696.20	\$235.60	\$2,827.20	66.68%	66.68%
2,000	\$183.80	\$2,205.60	\$284.30	\$3,411.60	54.68%	54.68%
3,000	\$268.70	\$3,224.40	\$381.70	\$4,580.40	42.05%	42.05%
5,000	\$438.50	\$5,262.00	\$576.50	\$6,918.00	31.47%	31.47%
6,000	\$523.40	\$6,280.80	\$673.90	\$8,086.80	28.75%	28.75%
7,500	\$650.75	\$7,809.00	\$820.00	\$9,840.00	26.01%	26.01%
9,000	\$778.10	\$9,337.20	\$966.10	\$11,593.20	24.16%	24.16%
10,000	\$863.00	\$10,356.00	\$1,063.50	\$12,762.00	23.23%	23.23%

## LVI-ALBERT LEA NNG Sales

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$36.77	\$441.18	\$126.15	\$1,513.74	243.11%	243.11%
1,000	\$59.53	\$714.36	\$152.79	\$1,833.48	156.66%	156.66%
2,500	\$127.83	\$1,533.90	\$232.73	\$2,792.70	82.07%	82.07%
5,000	\$241.65	\$2,899.80	\$365.95	\$4,391.40	51.44%	51.44%
7,500	\$355.48	\$4,265.70	\$499.18	\$5,990.10	40.42%	40.42%
10,000	\$469.30	\$5,631.60	\$632.40	\$7,588.80	34.75%	34.75%
12,500	\$583.13	\$6,997.50	\$765.63	\$9,187.50	31.30%	31.30%
15,000	\$696.95	\$8,363.40	\$898.85	\$10,786.20	28.97%	28.97%
17,500	\$810.78	\$9,729.30	\$1,032.08	\$12,384.90	27.29%	27.29%
20,000	\$924.60	\$11,095.20	\$1,165.30	\$13,983.60	26.03%	26.03%

MINNESOTA ENERGY RESOURCES CORPORATION  
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## SVI-NNG Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$317.45	\$3,809.40	\$328.70	\$3,944.40	3.54%	3.54%
1,000	\$359.90	\$4,318.80	\$377.40	\$4,528.80	4.86%	4.86%
1,500	\$402.35	\$4,828.20	\$426.10	\$5,113.20	5.90%	5.90%
2,000	\$444.80	\$5,337.60	\$474.80	\$5,697.60	6.74%	6.74%
3,000	\$529.70	\$6,356.40	\$572.20	\$6,866.40	8.02%	8.02%
5,000	\$699.50	\$8,394.00	\$767.00	\$9,204.00	9.65%	9.65%
6,000	\$784.40	\$9,412.80	\$864.40	\$10,372.80	10.20%	10.20%
7,500	\$911.75	\$10,941.00	\$1,010.50	\$12,126.00	10.83%	10.83%
9,000	\$1,039.10	\$12,469.20	\$1,156.60	\$13,879.20	11.31%	11.31%
10,000	\$1,124.00	\$13,488.00	\$1,254.00	\$15,048.00	11.57%	11.57%

## LVI-NNG Transport - CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$317.77	\$3,813.18	\$326.65	\$3,919.74	2.79%	2.79%
1,000	\$340.53	\$4,086.36	\$353.29	\$4,239.48	3.75%	3.75%
2,500	\$408.83	\$4,905.90	\$433.23	\$5,198.70	5.97%	5.97%
5,000	\$522.65	\$6,271.80	\$566.45	\$6,797.40	8.38%	8.38%
7,500	\$636.48	\$7,637.70	\$699.68	\$8,396.10	9.93%	9.93%
10,000	\$750.30	\$9,003.60	\$832.90	\$9,994.80	11.01%	11.01%
12,500	\$864.13	\$10,369.50	\$966.13	\$11,593.50	11.80%	11.80%
15,000	\$977.95	\$11,735.40	\$1,099.35	\$13,192.20	12.41%	12.41%
17,500	\$1,091.78	\$13,101.30	\$1,232.58	\$14,790.90	12.90%	12.90%
20,000	\$1,205.60	\$14,467.20	\$1,365.80	\$16,389.60	13.29%	13.29%

## LVI-NNG Transport - CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$305.53	\$3,666.30	\$312.81	\$3,753.72	2.38%	2.38%
1,000	\$316.05	\$3,792.60	\$325.62	\$3,907.44	3.03%	3.03%
2,500	\$347.63	\$4,171.50	\$364.05	\$4,368.60	4.72%	4.72%
5,000	\$400.25	\$4,803.00	\$428.10	\$5,137.20	6.96%	6.96%
7,500	\$452.88	\$5,434.50	\$492.15	\$5,905.80	8.67%	8.67%
10,000	\$505.50	\$6,066.00	\$556.20	\$6,674.40	10.03%	10.03%
12,500	\$558.13	\$6,697.50	\$620.25	\$7,443.00	11.13%	11.13%
15,000	\$610.75	\$7,329.00	\$684.30	\$8,211.60	12.04%	12.04%
17,500	\$663.38	\$7,960.50	\$748.35	\$8,980.20	12.81%	12.81%
20,000	\$716.00	\$8,592.00	\$812.40	\$9,748.80	13.46%	13.46%

## SVJ-NNG Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$519.20	\$6,230.40	\$570.80	\$6,849.60	9.94%	9.94%
1,000	\$561.65	\$6,739.80	\$619.50	\$7,434.00	10.30%	10.30%
1,500	\$604.10	\$7,249.20	\$668.20	\$8,018.40	10.61%	10.61%
2,000	\$646.55	\$7,758.60	\$716.90	\$8,602.80	10.88%	10.88%
3,000	\$731.45	\$8,777.40	\$814.30	\$9,771.60	11.33%	11.33%
5,000	\$901.25	\$10,815.00	\$1,009.10	\$12,109.20	11.97%	11.97%
6,000	\$986.15	\$11,833.80	\$1,106.50	\$13,278.00	12.20%	12.20%
7,500	\$1,113.50	\$13,362.00	\$1,252.60	\$15,031.20	12.49%	12.49%
9,000	\$1,240.85	\$14,890.20	\$1,398.70	\$16,784.40	12.72%	12.72%
10,000	\$1,325.75	\$15,909.00	\$1,496.10	\$17,953.20	12.85%	12.85%

## LVJ-NNG Transport - CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$920.77	\$11,049.18	\$1,050.25	\$12,602.94	14.06%	14.06%
1,000	\$943.53	\$11,322.36	\$1,076.89	\$12,922.68	14.13%	14.13%
2,500	\$1,011.83	\$12,141.90	\$1,156.83	\$13,881.90	14.33%	14.33%
5,000	\$1,125.65	\$13,507.80	\$1,290.05	\$15,480.60	14.60%	14.60%
7,500	\$1,239.48	\$14,873.70	\$1,423.28	\$17,079.30	14.83%	14.83%
10,000	\$1,353.30	\$16,239.60	\$1,556.50	\$18,678.00	15.02%	15.02%
12,500	\$1,467.13	\$17,605.50	\$1,689.73	\$20,276.70	15.17%	15.17%
15,000	\$1,580.95	\$18,971.40	\$1,822.95	\$21,875.40	15.31%	15.31%
17,500	\$1,694.78	\$20,337.30	\$1,956.18	\$23,474.10	15.42%	15.42%
20,000	\$1,808.60	\$21,703.20	\$2,089.40	\$25,072.80	15.53%	15.53%

## LVJ-NNG Transport - CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$4,930.53	\$59,166.30	\$5,862.81	\$70,353.72	18.91%	18.91%
1,000	\$4,941.05	\$59,292.60	\$5,875.62	\$70,507.44	18.91%	18.91%
2,500	\$4,972.63	\$59,671.50	\$5,914.05	\$70,968.60	18.93%	18.93%
5,000	\$5,025.25	\$60,303.00	\$5,978.10	\$71,737.20	18.96%	18.96%
7,500	\$5,077.88	\$60,934.50	\$6,042.15	\$72,505.80	18.99%	18.99%
10,000	\$5,130.50	\$61,566.00	\$6,106.20	\$73,274.40	19.02%	19.02%
12,500	\$5,183.13	\$62,197.50	\$6,170.25	\$74,043.00	19.04%	19.04%
15,000	\$5,235.75	\$62,829.00	\$6,234.30	\$74,811.60	19.07%	19.07%
17,500	\$5,288.38	\$63,460.50	\$6,298.35	\$75,580.20	19.10%	19.10%
20,000	\$5,341.00	\$64,092.00	\$6,362.40	\$76,348.80	19.12%	19.12%

## SLVI-NNG Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$670.00	\$8,040.00	\$694.00	\$8,328.00	3.58%	3.58%
100,000	\$880.00	\$10,560.00	\$918.00	\$11,016.00	4.32%	4.32%
200,000	\$1,300.00	\$15,600.00	\$1,366.00	\$16,392.00	5.08%	5.08%
500,000	\$2,560.00	\$30,720.00	\$2,710.00	\$32,520.00	5.86%	5.86%
750,000	\$3,610.00	\$43,320.00	\$3,830.00	\$45,960.00	6.09%	6.09%
1,000,000	\$4,660.00	\$55,920.00	\$4,950.00	\$59,400.00	6.22%	6.22%
1,500,000	\$6,760.00	\$81,120.00	\$7,190.00	\$86,280.00	6.36%	6.36%
2,000,000	\$8,860.00	\$106,320.00	\$9,430.00	\$113,160.00	6.43%	6.43%
2,500,000	\$10,960.00	\$131,520.00	\$11,670.00	\$140,040.00	6.48%	6.48%
3,000,000	\$13,060.00	\$156,720.00	\$13,910.00	\$166,920.00	6.51%	6.51%

## SLVI-NNG Transport-CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$1,894.00	\$22,728.00	\$2,077.50	\$24,930.00	9.69%	9.69%
100,000	\$3,328.00	\$39,936.00	\$3,685.00	\$44,220.00	10.73%	10.73%
200,000	\$6,196.00	\$74,352.00	\$6,900.00	\$82,800.00	11.36%	11.36%
500,000	\$14,800.00	\$177,600.00	\$16,545.00	\$198,540.00	11.79%	11.79%
750,000	\$21,970.00	\$263,640.00	\$24,582.50	\$294,990.00	11.89%	11.89%
1,000,000	\$29,140.00	\$349,680.00	\$32,620.00	\$391,440.00	11.94%	11.94%
1,500,000	\$43,480.00	\$521,760.00	\$48,695.00	\$584,340.00	11.99%	11.99%
2,000,000	\$57,820.00	\$693,840.00	\$64,770.00	\$777,240.00	12.02%	12.02%
2,500,000	\$72,160.00	\$865,920.00	\$80,845.00	\$970,140.00	12.04%	12.04%
3,000,000	\$86,500.00	\$1,038,000.00	\$96,920.00	\$1,163,040.00	12.05%	12.05%

## SLVJ-NNG Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
50,000	\$11,247.20	\$134,966.40	\$11,271.20	\$135,254.40	0.21%	0.21%
100,000	\$11,457.20	\$137,486.40	\$11,495.20	\$137,942.40	0.33%	0.33%
200,000	\$11,877.20	\$142,526.40	\$11,943.20	\$143,318.40	0.56%	0.56%
500,000	\$13,137.20	\$157,646.40	\$13,287.20	\$159,446.40	1.14%	1.14%
750,000	\$14,187.20	\$170,246.40	\$14,407.20	\$172,886.40	1.55%	1.55%
1,000,000	\$15,237.20	\$182,846.40	\$15,527.20	\$186,326.40	1.90%	1.90%
1,500,000	\$17,337.20	\$208,046.40	\$17,767.20	\$213,206.40	2.48%	2.48%
2,000,000	\$19,437.20	\$233,246.40	\$20,007.20	\$240,086.40	2.93%	2.93%
2,500,000	\$21,537.20	\$258,446.40	\$22,247.20	\$266,966.40	3.30%	3.30%
3,000,000	\$23,637.20	\$283,646.40	\$24,487.20	\$293,846.40	3.60%	3.60%

MINNESOTA ENERGY RESOURCES CORPORATION  
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## Transport for Resale

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
1,000	\$367.00	\$4,404.00	\$374.28	\$4,491.36	1.98%	1.98%
2,500	\$475.00	\$5,700.00	\$485.70	\$5,828.40	2.25%	2.25%
5,000	\$655.00	\$7,860.00	\$671.40	\$8,056.80	2.50%	2.50%
7,500	\$835.00	\$10,020.00	\$857.10	\$10,285.20	2.65%	2.65%
10,000	\$1,015.00	\$12,180.00	\$1,042.80	\$12,513.60	2.74%	2.74%
15,000	\$1,375.00	\$16,500.00	\$1,414.20	\$16,970.40	2.85%	2.85%
20,000	\$1,735.00	\$20,820.00	\$1,785.60	\$21,427.20	2.92%	2.92%
25,000	\$2,095.00	\$25,140.00	\$2,157.00	\$25,884.00	2.96%	2.96%
30,000	\$2,455.00	\$29,460.00	\$2,528.40	\$30,340.80	2.99%	2.99%
35,000	\$2,815.00	\$33,780.00	\$2,899.80	\$34,797.60	3.01%	3.01%

## LVJ-NNG Flex Transport (Cust "A")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$3,394.50	\$40,734.00	\$3,954.25	\$47,451.00	16.49%	16.49%
50,000	\$4,119.00	\$49,428.00	\$4,758.50	\$57,102.00	15.53%	15.53%
100,000	\$5,568.00	\$66,816.00	\$6,367.00	\$76,404.00	14.35%	14.35%
250,000	\$9,915.00	\$118,980.00	\$11,192.50	\$134,310.00	12.88%	12.88%
400,000	\$14,262.00	\$171,144.00	\$16,018.00	\$192,216.00	12.31%	12.31%
500,000	\$17,160.00	\$205,920.00	\$19,235.00	\$230,820.00	12.09%	12.09%
600,000	\$20,058.00	\$240,696.00	\$22,452.00	\$269,424.00	11.94%	11.94%
750,000	\$24,405.00	\$292,860.00	\$27,277.50	\$327,330.00	11.77%	11.77%
1,000,000	\$31,650.00	\$379,800.00	\$35,320.00	\$423,840.00	11.60%	11.60%
1,250,000	\$38,895.00	\$466,740.00	\$43,362.50	\$520,350.00	11.49%	11.49%

## LVI-NNG Flex Transport (Cust "B")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$420.00	\$5,040.00	\$425.00	\$5,100.00	1.19%	1.19%
50,000	\$545.00	\$6,540.00	\$550.00	\$6,600.00	0.92%	0.92%
100,000	\$795.00	\$9,540.00	\$800.00	\$9,600.00	0.63%	0.63%
250,000	\$1,545.00	\$18,540.00	\$1,550.00	\$18,600.00	0.32%	0.32%
400,000	\$2,295.00	\$27,540.00	\$2,300.00	\$27,600.00	0.22%	0.22%
500,000	\$2,795.00	\$33,540.00	\$2,800.00	\$33,600.00	0.18%	0.18%
600,000	\$3,295.00	\$39,540.00	\$3,300.00	\$39,600.00	0.15%	0.15%
750,000	\$4,045.00	\$48,540.00	\$4,050.00	\$48,600.00	0.12%	0.12%
1,000,000	\$5,295.00	\$63,540.00	\$5,300.00	\$63,600.00	0.09%	0.09%
1,250,000	\$6,545.00	\$78,540.00	\$6,550.00	\$78,600.00	0.08%	0.08%

## LVI-NNG Flex Transport (Cust "C")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$470.00	\$5,640.00	\$475.00	\$5,700.00	1.06%	1.06%
50,000	\$645.00	\$7,740.00	\$650.00	\$7,800.00	0.78%	0.78%
100,000	\$995.00	\$11,940.00	\$1,000.00	\$12,000.00	0.50%	0.50%
250,000	\$2,045.00	\$24,540.00	\$2,050.00	\$24,600.00	0.24%	0.24%
400,000	\$3,095.00	\$37,140.00	\$3,100.00	\$37,200.00	0.16%	0.16%
500,000	\$3,795.00	\$45,540.00	\$3,800.00	\$45,600.00	0.13%	0.13%
600,000	\$4,495.00	\$53,940.00	\$4,500.00	\$54,000.00	0.11%	0.11%
750,000	\$5,545.00	\$66,540.00	\$5,550.00	\$66,600.00	0.09%	0.09%
1,000,000	\$7,295.00	\$87,540.00	\$7,300.00	\$87,600.00	0.07%	0.07%
1,250,000	\$9,045.00	\$108,540.00	\$9,050.00	\$108,600.00	0.06%	0.06%

## LVI-NNG Flex Transport (Cust "D")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$670.00	\$8,040.00	\$675.00	\$8,100.00	0.75%	0.75%
50,000	\$1,045.00	\$12,540.00	\$1,050.00	\$12,600.00	0.48%	0.48%
100,000	\$1,795.00	\$21,540.00	\$1,800.00	\$21,600.00	0.28%	0.28%
250,000	\$4,045.00	\$48,540.00	\$4,050.00	\$48,600.00	0.12%	0.12%
400,000	\$6,295.00	\$75,540.00	\$6,300.00	\$75,600.00	0.08%	0.08%
500,000	\$7,795.00	\$93,540.00	\$7,800.00	\$93,600.00	0.06%	0.06%
600,000	\$9,295.00	\$111,540.00	\$9,300.00	\$111,600.00	0.05%	0.05%
750,000	\$11,545.00	\$138,540.00	\$11,550.00	\$138,600.00	0.04%	0.04%
1,000,000	\$15,295.00	\$183,540.00	\$15,300.00	\$183,600.00	0.03%	0.03%
1,250,000	\$19,045.00	\$228,540.00	\$19,050.00	\$228,600.00	0.03%	0.03%

## LVJ-NNG Flex Transport (Cust "E")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$2,170.00	\$26,040.00	\$2,475.00	\$29,700.00	14.06%	14.06%
50,000	\$2,545.00	\$30,540.00	\$2,850.00	\$34,200.00	11.98%	11.98%
100,000	\$3,295.00	\$39,540.00	\$3,600.00	\$43,200.00	9.26%	9.26%
250,000	\$5,545.00	\$66,540.00	\$5,850.00	\$70,200.00	5.50%	5.50%
400,000	\$7,795.00	\$93,540.00	\$8,100.00	\$97,200.00	3.91%	3.91%
500,000	\$9,295.00	\$111,540.00	\$9,600.00	\$115,200.00	3.28%	3.28%
600,000	\$10,795.00	\$129,540.00	\$11,100.00	\$133,200.00	2.83%	2.83%
750,000	\$13,045.00	\$156,540.00	\$13,350.00	\$160,200.00	2.34%	2.34%
1,000,000	\$16,795.00	\$201,540.00	\$17,100.00	\$205,200.00	1.82%	1.82%
1,250,000	\$20,545.00	\$246,540.00	\$20,850.00	\$250,200.00	1.48%	1.48%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (NOT INCLUDING GAS COSTS)

## LVJ-NNG Flex Transport (Cust "F")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$2,066.25	\$24,795.00	\$2,351.00	\$28,212.00	13.78%	13.78%
50,000	\$2,837.50	\$34,050.00	\$3,202.00	\$38,424.00	12.85%	12.85%
100,000	\$4,380.00	\$52,560.00	\$4,904.00	\$58,848.00	11.96%	11.96%
250,000	\$9,007.50	\$108,090.00	\$10,010.00	\$120,120.00	11.13%	11.13%
400,000	\$13,635.00	\$163,620.00	\$15,116.00	\$181,392.00	10.86%	10.86%
500,000	\$16,720.00	\$200,640.00	\$18,520.00	\$222,240.00	10.77%	10.77%
600,000	\$19,805.00	\$237,660.00	\$21,924.00	\$263,088.00	10.70%	10.70%
750,000	\$24,432.50	\$293,190.00	\$27,030.00	\$324,360.00	10.63%	10.63%
1,000,000	\$32,145.00	\$385,740.00	\$35,540.00	\$426,480.00	10.56%	10.56%
1,250,000	\$39,857.50	\$478,290.00	\$44,050.00	\$528,600.00	10.52%	10.52%

## LVJ-NNG Flex Transport (Cust "G")

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$1,045.00	\$12,540.00	\$1,129.75	\$13,557.00	8.11%	8.11%
50,000	\$1,795.00	\$21,540.00	\$1,959.50	\$23,514.00	9.16%	9.16%
100,000	\$3,295.00	\$39,540.00	\$3,619.00	\$43,428.00	9.83%	9.83%
250,000	\$7,795.00	\$93,540.00	\$8,597.50	\$103,170.00	10.30%	10.30%
400,000	\$12,295.00	\$147,540.00	\$13,576.00	\$162,912.00	10.42%	10.42%
500,000	\$15,295.00	\$183,540.00	\$16,895.00	\$202,740.00	10.46%	10.46%
600,000	\$18,295.00	\$219,540.00	\$20,214.00	\$242,568.00	10.49%	10.49%
750,000	\$22,795.00	\$273,540.00	\$25,192.50	\$302,310.00	10.52%	10.52%
1,000,000	\$30,295.00	\$363,540.00	\$33,490.00	\$401,880.00	10.55%	10.55%
1,250,000	\$37,795.00	\$453,540.00	\$41,787.50	\$501,450.00	10.56%	10.56%

## SVI-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$317.45	\$3,809.40	\$328.70	\$3,944.40	3.54%	3.54%
1,000	\$359.90	\$4,318.80	\$377.40	\$4,528.80	4.86%	4.86%
1,500	\$402.35	\$4,828.20	\$426.10	\$5,113.20	5.90%	5.90%
2,000	\$444.80	\$5,337.60	\$474.80	\$5,697.60	6.74%	6.74%
3,000	\$529.70	\$6,356.40	\$572.20	\$6,866.40	8.02%	8.02%
5,000	\$699.50	\$8,394.00	\$767.00	\$9,204.00	9.65%	9.65%
6,000	\$784.40	\$9,412.80	\$864.40	\$10,372.80	10.20%	10.20%
7,500	\$911.75	\$10,941.00	\$1,010.50	\$12,126.00	10.83%	10.83%
9,000	\$1,039.10	\$12,469.20	\$1,156.60	\$13,879.20	11.31%	11.31%
10,000	\$1,124.00	\$13,488.00	\$1,254.00	\$15,048.00	11.57%	11.57%

## LVI-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$1,433.25	\$17,199.00	\$1,632.25	\$19,587.00	13.88%	13.88%
50,000	\$2,571.50	\$30,858.00	\$2,964.50	\$35,574.00	15.28%	15.28%
100,000	\$4,848.00	\$58,176.00	\$5,629.00	\$67,548.00	16.11%	16.11%
250,000	\$11,677.50	\$140,130.00	\$13,622.50	\$163,470.00	16.66%	16.66%
400,000	\$18,507.00	\$222,084.00	\$21,616.00	\$259,392.00	16.80%	16.80%
500,000	\$23,060.00	\$276,720.00	\$26,945.00	\$323,340.00	16.85%	16.85%
600,000	\$27,613.00	\$331,356.00	\$32,274.00	\$387,288.00	16.88%	16.88%
750,000	\$34,442.50	\$413,310.00	\$40,267.50	\$483,210.00	16.91%	16.91%
1,000,000	\$45,825.00	\$549,900.00	\$53,590.00	\$643,080.00	16.94%	16.94%
1,250,000	\$57,207.50	\$686,490.00	\$66,912.50	\$802,950.00	16.96%	16.96%

## SVJ-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
500	\$496.95	\$5,963.40	\$544.10	\$6,529.20	9.49%	9.49%
1,000	\$539.40	\$6,472.80	\$592.80	\$7,113.60	9.90%	9.90%
1,500	\$581.85	\$6,982.20	\$641.50	\$7,698.00	10.25%	10.25%
2,000	\$624.30	\$7,491.60	\$690.20	\$8,282.40	10.56%	10.56%
3,000	\$709.20	\$8,510.40	\$787.60	\$9,451.20	11.05%	11.05%
5,000	\$879.00	\$10,548.00	\$982.40	\$11,788.80	11.76%	11.76%
6,000	\$963.90	\$11,566.80	\$1,079.80	\$12,957.60	12.02%	12.02%
7,500	\$1,091.25	\$13,095.00	\$1,225.90	\$14,710.80	12.34%	12.34%
9,000	\$1,218.60	\$14,623.20	\$1,372.00	\$16,464.00	12.59%	12.59%
10,000	\$1,303.50	\$15,642.00	\$1,469.40	\$17,632.80	12.73%	12.73%

## LVJ-CONSOLIDATED Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
25,000	\$2,021.25	\$24,255.00	\$2,337.85	\$28,054.20	15.66%	15.66%
50,000	\$3,159.50	\$37,914.00	\$3,670.10	\$44,041.20	16.16%	16.16%
100,000	\$5,436.00	\$65,232.00	\$6,334.60	\$76,015.20	16.53%	16.53%
250,000	\$12,265.50	\$147,186.00	\$14,328.10	\$171,937.20	16.82%	16.82%
400,000	\$19,095.00	\$229,140.00	\$22,321.60	\$267,859.20	16.90%	16.90%
500,000	\$23,648.00	\$283,776.00	\$27,650.60	\$331,807.20	16.93%	16.93%
600,000	\$28,201.00	\$338,412.00	\$32,979.60	\$395,755.20	16.94%	16.94%
750,000	\$35,030.50	\$420,366.00	\$40,973.10	\$491,677.20	16.96%	16.96%
1,000,000	\$46,413.00	\$556,956.00	\$54,295.60	\$651,547.20	16.98%	16.98%
1,250,000	\$57,795.50	\$693,546.00	\$67,618.10	\$811,417.20	17.00%	17.00%

MINNESOTA ENERGY RESOURCES CORPORATION  
BILL COMPARISON (NOT INCLUDING GAS COSTS)

## SLVI-CONSOLIDATED Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	50,000	\$885.00	\$10,620.00	\$906.50	\$10,878.00	2.43%
100,000	\$1,310.00	\$15,720.00	\$1,343.00	\$16,116.00	2.52%	2.52%
200,000	\$2,160.00	\$25,920.00	\$2,216.00	\$26,592.00	2.59%	2.59%
500,000	\$4,710.00	\$56,520.00	\$4,835.00	\$58,020.00	2.65%	2.65%
750,000	\$6,835.00	\$82,020.00	\$7,017.50	\$84,210.00	2.67%	2.67%
1,000,000	\$8,960.00	\$107,520.00	\$9,200.00	\$110,400.00	2.68%	2.68%
1,500,000	\$13,210.00	\$158,520.00	\$13,565.00	\$162,780.00	2.69%	2.69%
2,000,000	\$17,460.00	\$209,520.00	\$17,930.00	\$215,160.00	2.69%	2.69%
2,500,000	\$21,710.00	\$260,520.00	\$22,295.00	\$267,540.00	2.69%	2.69%
3,000,000	\$25,960.00	\$311,520.00	\$26,660.00	\$319,920.00	2.70%	2.70%

## SLVI-CONSOLIDATED Transport-CIP Applicable

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	50,000	\$2,109.00	\$25,308.00	\$2,290.00	\$27,480.00	8.58%
100,000	\$3,758.00	\$45,096.00	\$4,110.00	\$49,320.00	9.37%	9.37%
200,000	\$7,056.00	\$84,672.00	\$7,750.00	\$93,000.00	9.84%	9.84%
500,000	\$16,950.00	\$203,400.00	\$18,670.00	\$224,040.00	10.15%	10.15%
750,000	\$25,195.00	\$302,340.00	\$27,770.00	\$333,240.00	10.22%	10.22%
1,000,000	\$33,440.00	\$401,280.00	\$36,870.00	\$442,440.00	10.26%	10.26%
1,500,000	\$49,930.00	\$599,160.00	\$55,070.00	\$660,840.00	10.29%	10.29%
2,000,000	\$66,420.00	\$797,040.00	\$73,270.00	\$879,240.00	10.31%	10.31%
2,500,000	\$82,910.00	\$994,920.00	\$91,470.00	\$1,097,640.00	10.32%	10.32%
3,000,000	\$99,400.00	\$1,192,800.00	\$109,670.00	\$1,316,040.00	10.33%	10.33%

## SLVJ-CONSOLIDATED Transport-CIP Exempt

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	50,000	\$1,709.60	\$20,515.20	\$1,731.10	\$20,773.20	1.26%
100,000	\$2,134.60	\$25,615.20	\$2,167.60	\$26,011.20	1.55%	1.55%
200,000	\$2,984.60	\$35,815.20	\$3,040.60	\$36,487.20	1.88%	1.88%
500,000	\$5,534.60	\$66,415.20	\$5,659.60	\$67,915.20	2.26%	2.26%
750,000	\$7,659.60	\$91,915.20	\$7,842.10	\$94,105.20	2.38%	2.38%
1,000,000	\$9,784.60	\$117,415.20	\$10,024.60	\$120,295.20	2.45%	2.45%
1,500,000	\$14,034.60	\$168,415.20	\$14,389.60	\$172,675.20	2.53%	2.53%
2,000,000	\$18,284.60	\$219,415.20	\$18,754.60	\$225,055.20	2.57%	2.57%
2,500,000	\$22,534.60	\$270,415.20	\$23,119.60	\$277,435.20	2.60%	2.60%
3,000,000	\$26,784.60	\$321,415.20	\$27,484.60	\$329,815.20	2.61%	2.61%

## SVI-ALBERT LEA Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$252.45	\$3,029.40	\$328.70	\$3,944.40	30.20%
1,000	\$294.90	\$3,538.80	\$377.40	\$4,528.80	27.98%	27.98%
1,500	\$337.35	\$4,048.20	\$426.10	\$5,113.20	26.31%	26.31%
2,000	\$379.80	\$4,557.60	\$474.80	\$5,697.60	25.01%	25.01%
3,000	\$464.70	\$5,576.40	\$572.20	\$6,866.40	23.13%	23.13%
5,000	\$634.50	\$7,614.00	\$767.00	\$9,204.00	20.88%	20.88%
6,000	\$719.40	\$8,632.80	\$864.40	\$10,372.80	20.16%	20.16%
7,500	\$846.75	\$10,161.00	\$1,010.50	\$12,126.00	19.34%	19.34%
9,000	\$974.10	\$11,689.20	\$1,156.60	\$13,879.20	18.74%	18.74%
10,000	\$1,059.00	\$12,708.00	\$1,254.00	\$15,048.00	18.41%	18.41%

## LVI-ALBERT LEA Transport

Monthly Therm Consumption	Bills Under Current Rates		Bills Under Proposed Rates		Percent Change In Bill	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
	500	\$232.77	\$2,793.18	\$326.65	\$3,919.74	40.33%
1,000	\$255.53	\$3,066.36	\$353.29	\$4,239.48	38.26%	38.26%
2,500	\$323.83	\$3,885.90	\$433.23	\$5,198.70	33.78%	33.78%
5,000	\$437.65	\$5,251.80	\$566.45	\$6,797.40	29.43%	29.43%
7,500	\$551.48	\$6,617.70	\$699.68	\$8,396.10	26.87%	26.87%
10,000	\$665.30	\$7,983.60	\$832.90	\$9,994.80	25.19%	25.19%
12,500	\$779.13	\$9,349.50	\$966.13	\$11,593.50	24.00%	24.00%
15,000	\$892.95	\$10,715.40	\$1,099.35	\$13,192.20	23.11%	23.11%
17,500	\$1,006.78	\$12,081.30	\$1,232.58	\$14,790.90	22.43%	22.43%
20,000	\$1,120.60	\$13,447.20	\$1,365.80	\$16,389.60	21.88%	21.88%

**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF CURRENT & PROPOSED MONTHLY FIXED CHARGE AND DAILY FIRM CAPACITY REVENUE**

MERC Customer Class	Fixed Local Distribution Service		Enhanced Administration Service		Total Monthly Fixed Charge		Daily Firm Capacity	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
<b>NNG SALES</b>								
GS-NNG Residential Sales	\$19,245,547	\$19,245,547	\$0	\$0	\$19,245,547	\$19,245,547	\$0	\$0
GS-NNG SC&I Sales	\$1,824,156	\$1,824,156	\$0	\$0	\$1,824,156	\$1,824,156	\$0	\$0
GS-NNG LC&I Sales	\$4,245,750	\$4,245,750	\$0	\$0	\$4,245,750	\$4,245,750	\$0	\$0
SVI-NNG Sales	\$584,760	\$584,760	\$0	\$0	\$584,760	\$584,760	\$0	\$0
LVI-NNG Sales	\$130,610	\$130,610	\$0	\$0	\$130,610	\$130,610	\$0	\$0
SVJ-NNG Sales	\$5,940	\$5,940	\$0	\$0	\$5,940	\$5,940	\$2,850	\$3,420
<b>CONSOLIDATED SALES</b>								
GS-CONSOLIDATED Residential Sales	\$3,350,147	\$3,350,147	\$0	\$0	\$3,350,147	\$3,350,147	\$0	\$0
GS-CONSOLIDATED SC&I Sales	\$571,986	\$571,986	\$0	\$0	\$571,986	\$571,986	\$0	\$0
GS-CONSOLIDATED LC&I Sales	\$1,400,940	\$1,400,940	\$0	\$0	\$1,400,940	\$1,400,940	\$0	\$0
SVI-CONSOLIDATED Sales	\$185,955	\$185,955	\$0	\$0	\$185,955	\$185,955	\$0	\$0
LVI-CONSOLIDATED Sales	\$20,350	\$20,350	\$0	\$0	\$20,350	\$20,350	\$0	\$0
SVJ-CONSOLIDATED Sales	\$10,065	\$10,065	\$0	\$0	\$10,065	\$10,065	\$6,630	\$7,956
<b>ALBERT LEA-NNG SALES</b>								
GS-ALBERT LEA NNG Residential Sales	\$568,770	\$824,717	\$0	\$0	\$568,770	\$824,717	\$0	\$0
GS-ALBERT LEA NNG SC&I Sales	\$35,065	\$80,650	\$0	\$0	\$35,065	\$80,650	\$0	\$0
GS-ALBERT LEA NNG LC&I Sales	\$37,910	\$189,550	\$0	\$0	\$37,910	\$189,550	\$0	\$0
SVI-ALBERT LEA NNG Sales	\$6,566	\$41,976	\$0	\$0	\$6,566	\$41,976	\$0	\$0
LVI-ALBERT LEA NNG Sales	\$1,176	\$8,358	\$0	\$0	\$1,176	\$8,358	\$0	\$0
<b>NNG TRANSPORT</b>								
SVI-NNG Transport	\$21,780	\$22,440	\$14,520	\$14,520	\$36,300	\$36,960	\$0	\$0
LVI-NNG Transport - CIP Applicable	\$77,700	\$79,800	\$46,200	\$46,200	\$123,900	\$126,000	\$0	\$0
LVI-NNG Transport - CIP Exempt	\$2,220	\$2,280	\$1,320	\$1,320	\$3,540	\$3,600	\$0	\$0
SVJ-NNG Transport	\$40,095	\$41,310	\$26,730	\$26,730	\$66,825	\$68,040	\$49,014	\$58,817
LVJ-NNG Transport - CIP Applicable	\$50,135	\$51,490	\$29,810	\$29,810	\$79,945	\$81,300	\$163,428	\$196,114
LVJ-NNG Transport - CIP Exempt	\$6,660	\$6,840	\$3,960	\$3,960	\$10,620	\$10,800	\$166,500	\$199,800
SLVI-NNG Transport-CIP Exempt	\$48,650	\$50,040	\$15,290	\$15,290	\$63,940	\$65,330	\$0	\$0
SLVI-NNG Transport-CIP Applicable	\$8,400	\$8,640	\$2,640	\$2,640	\$11,040	\$11,280	\$0	\$0
SLVJ-NNG Transport-CIP Exempt	\$8,400	\$8,640	\$2,640	\$2,640	\$11,040	\$11,280	\$253,853	\$253,853
Transport for Resale	\$2,220	\$2,280	\$1,320	\$1,320	\$3,540	\$3,600	\$0	\$0
LVJ-NNG Flex Transport (Cust "A")	\$2,220	\$2,280	\$1,320	\$1,320	\$3,540	\$3,600	\$28,500	\$34,200
LVI-NNG Flex Transport (Cust "B")	\$2,220	\$2,280	\$1,320	\$1,320	\$3,540	\$3,600	\$0	\$0
LVI-NNG Flex Transport (Cust "C")	\$1,295	\$1,330	\$770	\$770	\$2,065	\$2,100	\$0	\$0
LVI-NNG Flex Transport (Cust "D")	\$925	\$950	\$550	\$550	\$1,475	\$1,500	\$0	\$0
LVJ-NNG Flex Transport (Cust "E")	\$2,220	\$2,280	\$1,320	\$1,320	\$3,540	\$3,600	\$18,000	\$21,600
LVJ-NNG Flex Transport (Cust "F")	\$6,660	\$6,840	\$3,960	\$3,960	\$10,620	\$10,800	\$36,000	\$43,200
LVJ-NNG Flex Transport (Cust "G")	\$4,440	\$4,560	\$2,640	\$2,640	\$7,080	\$7,200	\$22,500	\$27,000
<b>CONSOLIDATED TRANSPORT</b>								
SVI-CONSOLIDATED Transport	\$26,730	\$27,540	\$17,820	\$17,820	\$44,550	\$45,360	\$0	\$0
LVI-CONSOLIDATED Transport	\$22,385	\$22,990	\$13,310	\$13,310	\$35,695	\$36,300	\$0	\$0
SVJ-CONSOLIDATED Transport	\$21,780	\$22,440	\$14,520	\$14,520	\$36,300	\$36,960	\$23,700	\$28,440
LVJ-CONSOLIDATED Transport	\$26,640	\$27,360	\$15,840	\$15,840	\$42,480	\$43,200	\$84,660	\$101,592
SLVI-CONSOLIDATED Transport-CIP Exempt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SLVI-CONSOLIDATED Transport-CIP Applicable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SLVJ-CONSOLIDATED Transport-CIP Exempt	\$37,800	\$38,880	\$11,880	\$11,880	\$49,680	\$50,760	\$89,057	\$89,057
<b>ALBERT LEA-NNG TRANSPORT</b>								
SVI-ALBERT LEA Transport	\$1,200	\$2,040	\$1,320	\$1,320	\$2,520	\$3,360	\$0	\$0
LVI-ALBERT LEA Transport	\$2,400	\$4,560	\$2,640	\$2,640	\$5,040	\$7,200	\$0	\$0
<b>SUB-TOTAL</b>	<b>\$32,650,867</b>	<b>\$33,161,545</b>	<b>\$233,640</b>	<b>\$233,640</b>	<b>\$32,884,507</b>	<b>\$33,395,185</b>	<b>\$944,692</b>	<b>\$1,065,048</b>



**MINNESOTA ENERGY RESOURCES CORPORATION  
COMPARISON OF CURRENT & PROPOSED PER THERM REVENUE**

MERC Customer Class	Volumetric Local Distribution Service		CCRC Per Therm Rate		Total Per Therm Rate	
	Current	Proposed	Current	Proposed	Current	Proposed
<b>NNG SALES</b>						
GS-NNG Residential Sales	\$28,356,179	\$31,272,655	\$3,585,904	\$4,053,185	\$31,942,082	\$35,325,840
GS-NNG SC&I Sales	\$1,347,248	\$1,659,382	\$210,497	\$237,927	\$1,557,745	\$1,897,309
GS-NNG LC&I Sales	\$9,888,240	\$9,879,143	\$1,713,001	\$1,936,222	\$11,601,240	\$11,815,365
SVI-NNG Sales	\$1,062,886	\$1,226,664	\$430,643	\$486,760	\$1,493,529	\$1,713,424
LVI-NNG Sales	\$221,880	\$270,051	\$258,034	\$291,659	\$479,914	\$561,709
SVJ-NNG Sales	\$9,804	\$11,315	\$3,972	\$4,490	\$13,777	\$15,805
<b>CONSOLIDATED SALES</b>						
GS-CONSOLIDATED Residential Sales	\$4,868,634	\$5,369,380	\$615,684	\$695,914	\$5,484,318	\$6,065,295
GS-CONSOLIDATED SC&I Sales	\$440,608	\$542,689	\$68,841	\$77,812	\$509,449	\$620,501
GS-CONSOLIDATED LC&I Sales	\$3,080,899	\$3,078,065	\$533,723	\$603,273	\$3,614,622	\$3,681,338
SVI-CONSOLIDATED Sales	\$195,072	\$225,130	\$79,036	\$89,335	\$274,108	\$314,465
LVI-CONSOLIDATED Sales	\$75,560	\$91,965	\$87,873	\$99,323	\$163,433	\$191,288
SVJ-CONSOLIDATED Sales	\$16,687	\$19,258	\$6,761	\$7,642	\$23,448	\$26,900
<b>ALBERT LEA-NNG SALES</b>						
GS-ALBERT LEA NNG Residential Sales	\$1,630,929	\$1,798,673	\$206,246	\$233,122	\$1,837,176	\$2,031,795
GS-ALBERT LEA NNG SC&I Sales	\$69,876	\$86,064	\$10,917	\$12,340	\$80,793	\$98,405
GS-ALBERT LEA NNG LC&I Sales	\$558,428	\$557,914	\$96,740	\$109,346	\$655,168	\$667,260
SVI-ALBERT LEA NNG Sales	\$126,934	\$146,493	\$51,429	\$58,131	\$178,363	\$204,624
LVI-ALBERT LEA NNG Sales	\$28,995	\$35,290	\$33,720	\$38,114	\$62,715	\$73,404
<b>NNG TRANSPORT</b>						
SVI-NNG Transport	\$105,164	\$121,368	\$42,609	\$48,161	\$147,773	\$169,529
LVI-NNG Transport - CIP Applicable	\$634,207	\$771,895	\$737,548	\$833,659	\$1,371,755	\$1,605,553
LVI-NNG Transport - CIP Exempt	\$155,525	\$189,290	\$0	\$0	\$155,525	\$189,290
SVJ-NNG Transport	\$132,973	\$153,462	\$53,876	\$60,896	\$186,849	\$214,359
LVJ-NNG Transport - CIP Applicable	\$253,041	\$307,977	\$294,273	\$332,620	\$547,315	\$640,597
LVJ-NNG Transport - CIP Exempt	\$482,813	\$587,633	\$0	\$0	\$482,813	\$587,633
SLVI-NNG Transport-CIP Exempt	\$884,815	\$943,803	\$0	\$0	\$884,815	\$943,803
SLVI-NNG Transport-CIP Applicable	\$2,567	\$2,738	\$14,959	\$16,909	\$17,526	\$19,646
SLVJ-NNG Transport-CIP Exempt	\$94,891	\$101,217	\$0	\$0	\$94,891	\$101,217
Transport for Resale	\$12,613	\$12,371	\$6,497	\$7,344	\$19,110	\$19,715
LVJ-NNG Flex Transport (Cust "A")	\$27,542	\$27,542	\$149,826	\$169,350	\$177,368	\$196,892
LVI-NNG Flex Transport (Cust "B")	\$66,714	\$66,714	\$0	\$0	\$66,714	\$66,714
LVI-NNG Flex Transport (Cust "C")	\$56,165	\$56,165	\$0	\$0	\$56,165	\$56,165
LVI-NNG Flex Transport (Cust "D")	\$86,622	\$86,622	\$0	\$0	\$86,622	\$86,622
LVJ-NNG Flex Transport (Cust "E")	\$92,905	\$92,905	\$0	\$0	\$92,905	\$92,905
LVJ-NNG Flex Transport (Cust "F")	\$25,428	\$25,428	\$97,721	\$110,455	\$123,149	\$135,883
LVJ-NNG Flex Transport (Cust "G")	\$13,106	\$13,106	\$58,121	\$65,695	\$71,227	\$78,801
<b>CONSOLIDATED TRANSPORT</b>						
SVI-CONSOLIDATED Transport	\$94,068	\$108,562	\$38,113	\$43,079	\$132,181	\$151,642
LVI-CONSOLIDATED Transport	\$233,939	\$284,728	\$272,058	\$307,510	\$505,997	\$592,238
SVJ-CONSOLIDATED Transport	\$45,642	\$52,675	\$18,492	\$20,902	\$64,134	\$73,577
LVJ-CONSOLIDATED Transport	\$132,462	\$161,220	\$154,046	\$174,120	\$286,508	\$335,340
SLVI-CONSOLIDATED Transport-CIP Exempt	\$0	\$0	\$0	\$0	\$0	\$0
SLVI-CONSOLIDATED Transport-CIP Applicable	\$0	\$0	\$0	\$0	\$0	\$0
SLVJ-CONSOLIDATED Transport-CIP Exempt	\$351,089	\$360,589	\$0	\$0	\$351,089	\$360,589
<b>ALBERT LEA-NNG TRANSPORT</b>						
SVI-ALBERT LEA Transport	\$2,224	\$2,567	\$901	\$1,019	\$3,126	\$3,586
LVI-ALBERT LEA Transport	\$39,991	\$48,674	\$46,508	\$52,568	\$86,499	\$101,242
<b>SUB-TOTAL</b>	<b>\$56,005,366</b>	<b>\$60,849,383</b>	<b>\$9,978,572</b>	<b>\$11,278,884</b>	<b>\$65,983,938</b>	<b>\$72,128,267</b>

**MINNESOTA ENERGY RESOURCES CORPORATION  
BREAKPOINT ANALYSIS FOR PROPOSED RATES****NNG**

GS SC&I Cost @ 1,500 Therms	\$1,170.15
GS LC&I Cost @ 1,500 Therms	\$1,416.45
Difference	\$246.30
% Difference	21.05%

**CONSOLIDATED**

GS SC&I Cost @ 1,500 Therms	\$1,068.78
GS LC&I Cost @ 1,500 Therms	\$1,315.08
Difference	\$246.30
% Difference	23.04%

**ALBERT LEA - NNG**

GS SC&I Cost @ 1,500 Therms	\$1,092.15
GS LC&I Cost @ 1,500 Therms	\$1,176.45
Difference	\$84.30
% Difference	7.72%

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (INCLUDING GAS COSTS)**

MERC Customer Class	Current Revenue \$	Proposed Revenue \$	Increase \$	Increase %
<b>RESIDENTIAL SALES</b>				
GS-NNG Residential Sales	\$112,544,962	\$115,427,747	\$2,882,785	2.6%
GS-CONSOLIDATED Residential Sales	\$17,583,570	\$18,164,546	\$580,977	3.3%
GS-ALBERT LEA NNG Residential Sales	\$5,468,804	\$6,356,716	\$887,913	16.2%
<b>Total</b>	<b>\$135,597,335</b>	<b>\$139,949,009</b>	<b>\$4,351,675</b>	<b>3.2%</b>
<b>SC&amp;I SALES</b>				
GS-NNG SC&I Sales	\$6,983,649	\$7,293,805	\$310,156	4.4%
GS-CONSOLIDATED SC&I Sales	\$2,059,698	\$2,170,750	\$111,052	5.4%
GS-ALBERT LEA NNG SC&I Sales	\$277,988	\$364,335	\$86,347	31.1%
<b>Total</b>	<b>\$9,321,335</b>	<b>\$9,828,890</b>	<b>\$507,555</b>	<b>5.4%</b>
<b>LC&amp;I SALES</b>				
GS-NNG LC&I Sales	\$45,157,633	\$45,132,442	(\$25,191)	-0.1%
GS-CONSOLIDATED LC&I Sales	\$12,599,968	\$12,666,684	\$66,715	0.5%
GS-ALBERT LEA NNG LC&I Sales	\$2,129,713	\$2,498,583	\$368,870	17.3%
<b>Total</b>	<b>\$59,887,315</b>	<b>\$60,297,709</b>	<b>\$410,394</b>	<b>0.7%</b>
<b>SMALL VOLUME SALES AND TRANSPORT</b>				
SVI-NNG Sales	\$7,823,889	\$7,972,714	\$148,825	1.9%
SVI-CONSOLIDATED Sales	\$1,325,037	\$1,365,394	\$40,357	3.0%
SVI-ALBERT LEA NNG Sales	\$730,629	\$924,275	\$193,647	26.5%
SVJ-NNG Sales	\$75,567	\$77,509	\$1,943	2.6%
SVJ-CONSOLIDATED Sales	\$114,135	\$118,913	\$4,778	4.2%
SVI-NNG Transport	\$184,073	\$206,489	\$22,417	12.2%
SVI-CONSOLIDATED Transport	\$176,731	\$197,002	\$20,271	11.5%
SVI-ALBERT LEA Transport	\$5,646	\$6,946	\$1,300	23.0%
SVJ-NNG Transport	\$302,688	\$341,216	\$38,528	12.7%
SVJ-CONSOLIDATED Transport	\$124,134	\$138,977	\$14,843	12.0%
Transport for Resale	\$22,650	\$23,315	\$665	2.9%
<b>Total</b>	<b>\$10,885,177</b>	<b>\$11,372,751</b>	<b>\$487,574</b>	<b>4.5%</b>
<b>LARGE VOLUME SALES AND TRANSPORT</b>				
LVI-NNG Sales	\$4,053,194	\$4,092,405	\$39,211	1.0%
LVI-CONSOLIDATED Sales	\$1,145,464	\$1,173,319	\$27,855	2.4%
LVI-ALBERT LEA NNG Sales	\$421,684	\$526,087	\$104,402	24.8%
LVI-NNG Transport - CIP Applicable	\$1,495,655	\$1,731,553	\$235,898	15.8%
LVI-NNG Transport - CIP Exempt	\$159,065	\$192,890	\$33,825	21.3%
LVI-CONSOLIDATED Transport	\$541,692	\$628,538	\$86,846	16.0%
LVI-ALBERT LEA Transport	\$91,539	\$108,442	\$16,903	18.5%
LVJ-NNG Transport - CIP Applicable	\$790,688	\$918,011	\$127,323	16.1%
LVJ-NNG Transport - CIP Exempt	\$659,933	\$798,233	\$138,300	21.0%
LVJ-CONSOLIDATED Transport	\$413,648	\$480,132	\$66,484	16.1%
LVJ-NNG Flex Transport (Cust "A")	\$209,408	\$234,692	\$25,284	12.1%
LVI-NNG Flex Transport (Cust "B")	\$70,254	\$70,314	\$60	0.1%
LVI-NNG Flex Transport (Cust "C")	\$58,230	\$58,265	\$35	0.1%
LVI-NNG Flex Transport (Cust "D")	\$88,097	\$88,122	\$25	0.0%
LVJ-NNG Flex Transport (Cust "E")	\$114,445	\$118,105	\$3,660	3.2%
LVJ-NNG Flex Transport (Cust "F")	\$169,769	\$189,883	\$20,114	11.8%
LVJ-NNG Flex Transport (Cust "G")	\$100,807	\$113,001	\$12,194	12.1%
<b>Total</b>	<b>\$10,583,573</b>	<b>\$11,521,991</b>	<b>\$938,418</b>	<b>8.9%</b>
<b>SUPER LARGE VOLUME SALES AND TRANSPORT</b>				
SLVI-NNG Transport-CIP Exempt	\$948,755	\$1,009,133	\$60,378	6.4%
SLVI-CONSOLIDATED Transport-CIP Exempt	\$0	\$0	\$0	0.0%
SLVI-NNG Transport-CIP Applicable	\$28,566	\$30,926	\$2,360	8.3%
SLVI-CONSOLIDATED Transport-CIP Applicable	\$0	\$0	\$0	0.0%
SLVJ-NNG Transport-CIP Exempt	\$359,784	\$366,350	\$6,566	1.8%
SLVJ-CONSOLIDATED Transport-CIP Exempt	\$489,826	\$500,406	\$10,580	2.2%
<b>Total</b>	<b>\$1,826,931</b>	<b>\$1,906,815</b>	<b>\$79,884</b>	<b>4.4%</b>
<b>GRAND TOTAL</b>	<b>\$228,101,665</b>	<b>\$234,877,166</b>	<b>\$6,775,500</b>	<b>3.0%</b>

Note: Base gas costs are included in both the Current Revenues and the Proposed Revenues above.

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**COMPARISON OF REVENUE FROM CURRENT AND PROPOSED RATES (NOT INCLUDING GAS COSTS)**

MERC Customer Class	Current Revenue \$	Proposed Revenue \$	Increase \$	Increase %
<b>RESIDENTIAL SALES</b>				
GS-NNG Residential Sales	\$51,187,629	\$54,571,386	\$3,383,757	6.6%
GS-CONSOLIDATED Residential Sales	\$8,834,465	\$9,415,441	\$580,977	6.6%
GS-ALBERT LEA NNG Residential Sales	\$2,405,946	\$2,856,512	\$450,566	18.7%
<b>Total</b>	<b>\$62,428,039</b>	<b>\$66,843,339</b>	<b>\$4,415,300</b>	<b>7.1%</b>
<b>SC&amp;I SALES</b>				
GS-NNG SC&I Sales	\$3,381,901	\$3,721,465	\$339,564	10.0%
GS-CONSOLIDATED SC&I Sales	\$1,081,435	\$1,192,487	\$111,052	10.3%
GS-ALBERT LEA NNG SC&I Sales	\$115,858	\$179,054	\$63,196	54.5%
<b>Total</b>	<b>\$4,579,194</b>	<b>\$5,093,006</b>	<b>\$513,812</b>	<b>11.2%</b>
<b>LC&amp;I SALES</b>				
GS-NNG LC&I Sales	\$15,846,990	\$16,061,115	\$214,125	1.4%
GS-CONSOLIDATED LC&I Sales	\$5,015,562	\$5,082,278	\$66,715	1.3%
GS-ALBERT LEA NNG LC&I Sales	\$693,078	\$856,810	\$163,732	23.6%
<b>Total</b>	<b>\$21,555,630</b>	<b>\$22,000,203</b>	<b>\$444,573</b>	<b>2.1%</b>
<b>SMALL VOLUME SALES AND TRANSPORT</b>				
SVI-NNG Sales	\$2,078,289	\$2,298,184	\$219,895	10.6%
SVI-CONSOLIDATED Sales	\$460,063	\$500,420	\$40,357	8.8%
SVI-ALBERT LEA NNG Sales	\$184,929	\$246,600	\$61,670	33.3%
SVJ-NNG Sales	\$22,567	\$25,165	\$2,598	11.5%
SVJ-CONSOLIDATED Sales	\$40,143	\$44,921	\$4,778	11.9%
SVI-NNG Transport	\$184,073	\$206,489	\$22,417	12.2%
SVI-CONSOLIDATED Transport	\$176,731	\$197,002	\$20,271	11.5%
SVI-ALBERT LEA Transport	\$5,646	\$6,946	\$1,300	23.0%
SVJ-NNG Transport	\$302,688	\$341,216	\$38,528	12.7%
SVJ-CONSOLIDATED Transport	\$124,134	\$138,977	\$14,843	12.0%
Transport for Resale	\$22,650	\$23,315	\$665	2.9%
<b>Total</b>	<b>\$3,601,912</b>	<b>\$4,029,235</b>	<b>\$427,324</b>	<b>11.9%</b>
<b>LARGE VOLUME SALES AND TRANSPORT</b>				
LVI-NNG Sales	\$610,524	\$692,319	\$81,795	13.4%
LVI-CONSOLIDATED Sales	\$183,783	\$211,638	\$27,855	15.2%
LVI-ALBERT LEA NNG Sales	\$63,891	\$81,762	\$17,871	28.0%
LVI-NNG Transport - CIP Applicable	\$1,495,655	\$1,731,553	\$235,898	15.8%
LVI-NNG Transport - CIP Exempt	\$159,065	\$192,890	\$33,825	21.3%
LVI-CONSOLIDATED Transport	\$541,692	\$628,538	\$86,846	16.0%
LVI-ALBERT LEA Transport	\$91,539	\$108,442	\$16,903	18.5%
LVJ-NNG Transport - CIP Applicable	\$790,688	\$918,011	\$127,323	16.1%
LVJ-NNG Transport - CIP Exempt	\$659,933	\$798,233	\$138,300	21.0%
LVJ-CONSOLIDATED Transport	\$413,648	\$480,132	\$66,484	16.1%
LVJ-NNG Flex Transport (Cust "A")	\$209,408	\$234,692	\$25,284	12.1%
LVI-NNG Flex Transport (Cust "B")	\$70,254	\$70,314	\$60	0.1%
LVI-NNG Flex Transport (Cust "C")	\$58,230	\$58,265	\$35	0.1%
LVI-NNG Flex Transport (Cust "D")	\$88,097	\$88,122	\$25	0.0%
LVJ-NNG Flex Transport (Cust "E")	\$114,445	\$118,105	\$3,660	3.2%
LVJ-NNG Flex Transport (Cust "F")	\$169,769	\$189,883	\$20,114	11.8%
LVJ-NNG Flex Transport (Cust "G")	\$100,807	\$113,001	\$12,194	12.1%
<b>Total</b>	<b>\$5,821,429</b>	<b>\$6,715,900</b>	<b>\$894,471</b>	<b>15.4%</b>
<b>SUPER LARGE VOLUME SALES AND TRANSPORT</b>				
SLVI-NNG Transport-CIP Exempt	\$948,755	\$1,009,133	\$60,378	6.4%
SLVI-CONSOLIDATED Transport-CIP Exempt	\$0	\$0	\$0	0.0%
SLVI-NNG Transport-CIP Applicable	\$28,566	\$30,926	\$2,360	8.3%
SLVI-CONSOLIDATED Transport-CIP Applicable	\$0	\$0	\$0	0.0%
SLVJ-NNG Transport-CIP Exempt	\$359,784	\$366,350	\$6,566	1.8%
SLVJ-CONSOLIDATED Transport-CIP Exempt	\$489,826	\$500,406	\$10,580	2.2%
<b>Total</b>	<b>\$1,826,931</b>	<b>\$1,906,815</b>	<b>\$79,884</b>	<b>4.4%</b>
<b>GRAND TOTAL</b>	<b>\$99,813,136</b>	<b>\$106,588,499</b>	<b>\$6,775,363</b>	<b>6.8%</b>

Note: Base gas costs are not included in either the Current Revenues and the Proposed Revenues above.

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**ANNUAL UTILITY BILL FOR AVERAGE CUSTOMER ROUNDED TO NEAREST DOLLAR (INCLUDING GAS COSTS)**

MERC Customer Class	Customer Count	Average Usage (therms)	Present Annual Bill \$	Proposed Annual Bill \$	Increase \$	Increase %
<b>RESIDENTIAL SALES</b>						
GS-NNG Residential Sales	168,821	868	\$667	\$684	\$17	2.6%
GS-CONSOLIDATED Residential Sales	29,387	856	\$598	\$618	\$20	3.3%
GS-ALBERT LEA NNG Residential Sales	9,480	889	\$577	\$671	\$94	16.2%
<b>Total Residential</b>	<b>207,688</b>	<b>867</b>	<b>\$ 653</b>	<b>\$ 674</b>	<b>\$ 21</b>	<b>3.2%</b>
<b>SC&amp;I SALES</b>						
GS-NNG SC&I Sales	8,445	1,018	\$827	\$864	\$37	4.4%
GS-CONSOLIDATED SC&I Sales	2,648	1,062	\$778	\$820	\$42	5.4%
GS-ALBERT LEA NNG SC&I Sales	584	763	\$476	\$624	\$148	31.1%
<b>Total SC&amp;I</b>	<b>11,677</b>	<b>1,015</b>	<b>\$ 798</b>	<b>\$ 842</b>	<b>\$ 43</b>	<b>5.4%</b>
<b>LC&amp;I SALES</b>						
GS-NNG LC&I Sales	7,863	8,900	\$5,743	\$5,740	(\$3)	-0.1%
GS-CONSOLIDATED LC&I Sales	2,594	8,404	\$4,857	\$4,883	\$26	0.5%
GS-ALBERT LEA NNG LC&I Sales	632	6,254	\$3,370	\$3,953	\$584	17.3%
<b>Total LC&amp;I</b>	<b>11,089</b>	<b>8,633</b>	<b>\$ 5,401</b>	<b>\$ 5,438</b>	<b>\$ 37</b>	<b>0.7%</b>
<b>SMALL VOLUME SALES AND TRANSPORT</b>						
SVI-NNG Sales	295	59,565	\$26,522	\$27,026	\$504	1.9%
SVI-CONSOLIDATED Sales	94	34,377	\$14,096	\$14,525	\$429	3.0%
SVI-ALBERT LEA NNG Sales	39	53,753	\$18,734	\$23,699	\$4,965	26.5%
<b>Total SVI Sales</b>	<b>428</b>	<b>53,503</b>	<b>\$ 23,083</b>	<b>\$ 23,978</b>	<b>\$ 894</b>	<b>3.9%</b>
SVJ-NNG Sales	3	54,091	\$25,189	\$25,836	\$648	2.6%
SVJ-CONSOLIDATED Sales	5	54,331	\$22,827	\$23,783	\$956	4.2%
<b>Total SVJ Sales</b>	<b>8</b>	<b>54,241</b>	<b>\$ 23,713</b>	<b>\$ 24,553</b>	<b>\$ 840</b>	<b>3.5%</b>
SVI-NNG Transport	11	158,232	\$16,734	\$18,772	\$2,038	12.2%
SVI-CONSOLIDATED Transport	14	115,326	\$12,624	\$14,072	\$1,448	11.5%
SVI-ALBERT LEA Transport	1	36,816	\$5,646	\$6,946	\$1,300	23.0%
<b>Total SVI Transport</b>	<b>26</b>	<b>130,459</b>	<b>\$ 14,094</b>	<b>\$ 15,786</b>	<b>\$ 1,692</b>	<b>12.0%</b>
SVJ-NNG Transport	20	108,682	\$15,134	\$17,061	\$1,926	12.7%
SVJ-CONSOLIDATED Transport	11	68,674	\$11,285	\$12,634	\$1,349	12.0%
<b>Total SVJ Transport</b>	<b>31</b>	<b>94,486</b>	<b>\$ 13,768</b>	<b>\$ 15,490</b>	<b>\$ 1,722</b>	<b>12.5%</b>
Transport for Resale	1	265,416	\$22,650	\$23,315	\$665	2.9%
<b>LARGE VOLUME SALES AND TRANSPORT</b>						
LVI-NNG Sales	59	179,161	\$68,698	\$69,363	\$665	1.0%
LVI-CONSOLIDATED Sales	9	391,589	\$127,274	\$130,369	\$3,095	2.4%
LVI-ALBERT LEA NNG Sales	7	196,779	\$60,241	\$75,155	\$14,915	24.8%
<b>Total LVI Sales</b>	<b>68</b>	<b>227,533</b>	<b>\$ 82,652</b>	<b>\$ 85,174</b>	<b>\$ 2,522</b>	<b>3.1%</b>
LVI-NNG Transport - CIP Applicable	35	860,817	\$42,733	\$49,473	\$6,740	15.8%
LVI-NNG Transport - CIP Exempt	1	7,388,353	\$159,065	\$192,890	\$33,825	21.3%
LVI-CONSOLIDATED Transport	10	1,102,164	\$54,169	\$62,854	\$8,685	16.0%
LVI-NNG Flex Transport (Cust "B")	1	13,342,714	\$70,254	\$70,314	\$60	0.1%
LVI-NNG Flex Transport (Cust "C")	1	13,754,786	\$58,230	\$58,265	\$35	0.1%
LVI-NNG Flex Transport (Cust "D")	0	13,859,558	\$211,433	\$211,493	\$60	0.0%
LVI-ALBERT LEA Transport	2	949,913	\$45,770	\$54,220.84	\$8,451	18.5%
<b>Total LVI Transport</b>	<b>50</b>	<b>1,652,444</b>	<b>\$ 49,677</b>	<b>\$ 57,087</b>	<b>\$ 7,410</b>	<b>14.9%</b>
LVJ-NNG Transport - CIP Applicable	23	532,294	\$34,378	\$39,914	\$5,536	16.1%
LVJ-NNG Transport - CIP Exempt	3	7,645,503	\$219,978	\$266,078	\$46,100	21.0%
LVJ-CONSOLIDATED Transport	12	524,394	\$34,471	\$40,011	\$5,540	16.1%
LVJ-NNG Flex Transport (Cust "A")	1	6,120,353	\$209,408	\$234,692	\$25,284	12.1%
LVJ-NNG Flex Transport (Cust "E")	1	6,193,680	\$114,445	\$118,105	\$3,660	3.2%
LVJ-NNG Flex Transport (Cust "F")	3	1,330,625	\$56,590	\$63,294	\$6,705	11.8%
LVJ-NNG Flex Transport (Cust "G")	2	1,187,117	\$50,404	\$56,500	\$6,097	12.1%
<b>Total LVJ Transport</b>	<b>45</b>	<b>1,336,714</b>	<b>\$ 54,638</b>	<b>\$ 63,379</b>	<b>\$ 8,741</b>	<b>16.0%</b>
<b>SUPER LARGE VOLUME SALES AND TRANSPORT</b>						
SLVI-NNG Transport-CIP Exempt	12	18,187,365	\$79,063	\$84,094	\$5,031	6.4%
SLVI-CONSOLIDATED Transport-CIP Exempt	0	0	\$0	\$0	\$0	0.0%
SLVI-NNG Transport-CIP Applicable	2	305,540	\$14,283	\$15,463	\$1,180	8.3%
SLVI-CONSOLIDATED Transport-CIP Applicable	0	0	\$0	\$0	\$0	0.0%
<b>Total SLVI Transport</b>	<b>14</b>	<b>15,632,819</b>	<b>\$ 69,809</b>	<b>\$ 74,290</b>	<b>\$ 4,481</b>	<b>6.4%</b>
SLVJ-NNG Transport-CIP Exempt	2	11,296,547	\$179,892	\$183,175	\$3,283	1.8%
SLVJ-CONSOLIDATED Transport-CIP Exempt	9	4,589,404	\$54,425	\$55,601	\$1,176	2.2%
<b>Total SLVJ Transport</b>	<b>11</b>	<b>5,808,885</b>	<b>\$ 77,237</b>	<b>\$ 78,796</b>	<b>\$ 1,559</b>	<b>2.0%</b>

Note: Base gas costs are included in either the Current Revenues and the Proposed Revenues above.

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**ANNUAL UTILITY BILL FOR AVERAGE CUSTOMER ROUNDED TO NEAREST DOLLAR (NOT INCLUDING GAS COSTS)**

MERC Customer Class	Customer Count	Average Usage (therms)	Present Annual Bill \$	Proposed Annual Bill \$	Increase \$	Increase %
<b>RESIDENTIAL SALES</b>						
GS-NNG Residential Sales	168,821	868	\$303	\$323	\$20	6.6%
GS-CONSOLIDATED Residential Sales	29,387	856	\$301	\$320	\$20	6.6%
GS-ALBERT LEA NNG Residential Sales	9,480	889	\$254	\$301	\$48	18.7%
<b>Total Residential</b>	<b>207,688</b>	<b>867</b>	<b>\$ 301</b>	<b>\$ 322</b>	<b>\$ 21</b>	<b>7.1%</b>
<b>SC&amp;I SALES</b>						
GS-NNG SC&I Sales	8,445	1,018	\$400	\$441	\$40	10.0%
GS-CONSOLIDATED SC&I Sales	2,648	1,062	\$408	\$450	\$42	10.3%
GS-ALBERT LEA NNG SC&I Sales	584	763	\$198	\$307	\$108	54.5%
<b>Total SC&amp;I</b>	<b>11,677</b>	<b>1,015</b>	<b>\$ 392</b>	<b>\$ 436</b>	<b>\$ 44</b>	<b>11.2%</b>
<b>LC&amp;I SALES</b>						
GS-NNG LC&I Sales	7,863	8,900	\$2,015	\$2,043	\$27	1.4%
GS-CONSOLIDATED LC&I Sales	2,594	8,404	\$1,934	\$1,959	\$26	1.3%
GS-ALBERT LEA NNG LC&I Sales	632	6,254	\$1,097	\$1,356	\$259	23.6%
<b>Total LC&amp;I</b>	<b>11,089</b>	<b>8,633</b>	<b>\$ 1,944</b>	<b>\$ 1,984</b>	<b>\$ 40</b>	<b>2.1%</b>
<b>SMALL VOLUME SALES AND TRANSPORT</b>						
SVI-NNG Sales	295	59,565	\$7,045	\$7,790	\$745	10.6%
SVI-CONSOLIDATED Sales	94	34,377	\$4,894	\$5,324	\$429	8.8%
SVI-ALBERT LEA NNG Sales	39	53,753	\$4,742	\$6,323	\$1,581	33.3%
<b>Total SVI Sales</b>	<b>428</b>	<b>53,503</b>	<b>\$ 6,363</b>	<b>\$ 7,115</b>	<b>\$ 752</b>	<b>11.8%</b>
SVJ-NNG Sales	3	54,091	\$7,522	\$8,388	\$866	11.5%
SVJ-CONSOLIDATED Sales	5	54,331	\$8,029	\$8,984	\$956	11.9%
<b>Total SVJ Sales</b>	<b>8</b>	<b>54,241</b>	<b>\$ 7,839</b>	<b>\$ 8,761</b>	<b>\$ 922</b>	<b>11.8%</b>
SVI-NNG Transport	11	158,232	\$16,734	\$18,772	\$2,038	12.2%
SVI-CONSOLIDATED Transport	14	115,326	\$12,624	\$14,072	\$1,448	11.5%
SVI-ALBERT LEA Transport	1	36,816	\$5,646	\$6,946	\$1,300	23.0%
<b>Total SVI Transport</b>	<b>26</b>	<b>130,459</b>	<b>\$ 14,094</b>	<b>\$ 15,786</b>	<b>\$ 1,692</b>	<b>12.0%</b>
SVJ-NNG Transport	20	108,682	\$15,134	\$17,061	\$1,926	12.7%
SVJ-CONSOLIDATED Transport	11	68,674	\$11,285	\$12,634	\$1,349	12.0%
<b>Total SVJ Transport</b>	<b>31</b>	<b>94,486</b>	<b>\$ 13,768</b>	<b>\$ 15,490</b>	<b>\$ 1,722</b>	<b>12.5%</b>
Transport for Resale	1	265,416	\$22,650	\$23,315	\$665	2.9%
<b>LARGE VOLUME SALES AND TRANSPORT</b>						
LVI-NNG Sales	59	179,161	\$10,348	\$11,734	\$1,386	13.4%
LVI-CONSOLIDATED Sales	9	391,589	\$20,420	\$23,515	\$3,095	15.2%
LVI-ALBERT LEA NNG Sales	7	196,779	\$9,127	\$11,680	\$2,553	28.0%
<b>Total LVI Sales</b>	<b>68</b>	<b>227,533</b>	<b>\$ 12,621</b>	<b>\$ 14,496</b>	<b>\$ 1,875</b>	<b>14.9%</b>
LVI-NNG Transport - CIP Applicable	35	860,817	\$42,733	\$49,473	\$6,740	15.8%
LVI-NNG Transport - CIP Exempt	1	7,388,353	\$159,065	\$192,890	\$33,825	21.3%
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<b>Total SLVJ Transport</b>	<b>11</b>	<b>5,808,885</b>	<b>\$ 77,237</b>	<b>\$ 78,796</b>	<b>\$ 1,559</b>	<b>2.0%</b>

Note: Base gas costs are NOT included in either the Current Revenues and the Proposed Revenues above.

## Apportionment based on Margin Allocation

	<b>MERC</b>		<b>Final Rates</b>		<b>Allocation of Revenues</b>
	<b>Filing</b>		<b>Allocated based</b>		<b>in Attachment A</b>
			<b>Upon Commission Order</b>		
Residential	71,919,809	62.7%	66,843,646		66,843,339
Small comm'l & Industrial	5,478,375	4.8%	5,091,706		5,093,006
Large Comm'l & Industrial	23,671,074	20.6%	22,000,349		22,000,203
Small Vol. Interruptible & Joint	4,310,029	3.8%	4,005,823		4,005,920
Large Vol. Interruptible & Joint	6,287,570	5.5%	5,843,788		5,843,518
Transport for Resale	25,084	0.0%	23,314		23,315
Super Lg. Vol. & Flex Rate	2,991,086	2.6%	2,779,973		2,779,198
	<u>114,683,027</u>		<u>106,588,598</u>		<u>106,588,499</u>

\*assumes revenue deficiency 6,775,462

**Schedule B**  
Revised Tariff Sheets



*Redline Tariff Sheets*

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	C. Feasibility of Mains and Services .....	9.05
	D. Winter Construction Charge .....	9.06
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Issued By: ~~Theodore Eidukas DM Derrieks~~  
-Vice President-Regulatory Affairs

Submittal Date: ~~September 30, 2015~~ November 30, 2016

\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017



**MINNESOTA CITIES SERVED BY MERC**

Ada	Deer River	Kettle River
Adams	Deerwood	LaCrescent
Aitkin	Detroit Lakes	LaPrairie
Albert Lea	Dodge Center	Lakefield
Alden	Dover	Lakeville
Altura	Duluth	Lamberton
Appleton	Dunnell	Lanesboro
Audubon	Eagan	Lansing Township
Aurora	Elgin	Leonadis
Barnum	Elko	Lewiston
Baudette	Ellendale	Lyle
Bemidji	Emmons	Mabel
Bertha	Empire	Madison
Biwabik	Eveleth	Mantorville
Blooming Prairie	Eureka Township	Marble
Bovey	Eyota	Mayhew
Brewster	Fairmont	Menahga
Brownsdale	Farmington	Midway
Buhl	Fayal Township	Moose Lake
Butterfield	Finlayson	Moose Lake Township
Byron	Floodwood	Mora
Caledonia	Fountain	Motley
Calumet	Frazee	Mountain Iron
Camp Ripley*	Freeborn	Mountain Lake
Canby	Geneva	Nashwauk
Cannon Falls	Gilbert	New Market
Canosia Township (Duluth)	Glenville	New Market Township
Canton	Grand Lake Township	New Richland
Carlton	Grand Rapids	New Scandia Township
Castle Rock	Harmony	North Branch
Chatfield	Harris	Northrop
Chisholm	Hayfield	Oakland
Claremont	Hayward	Oronoco
Clarks Grove	Hendricks	Ortonville
Cloquet	Hermantown	Pengilly
Cohasset	Hewitt	Peterson
Coleraine	Hinckley	Pine City
Conger	Hollandale	Pine Island
Cottage Grove	Houston	Plainview
Cottonwood	Hoyt Lakes	Pokegama Township
Credit River	International Falls	Preston
Crosby	Ironton	Prior Lake
	Ivanhoe	Proctor
	Jackson	
	Kasson	
	Keewatin	
	Kenyon	

MINNESOTA CITIES SERVED BY MERC (Continued)	
Randolph Township	Webster Township
Ranier	Welcome
Revere	Wells
Riverton	West Concord
Rochester	Willow River
Roseau	Windemere Township
Rose Creek	Windom
Rosemount	Worthington
Rush City	Wrenshall
Rushford	Wykoff
Rushford Village	Zemple
Sanborn	Zumbrota
Sandstone	
Scanlon	
Sebeka	
Silver Bay	
Silver Brook Township	
Sherburn	
Spring Grove	
Spring Lake Township	
Spring Valley	
Staples	
St. Charles	
Stewartville	
Sturgeon Lake	
Taopi	
Tracy	
Thief River Falls	
Trimont	
Truman	
Twin Lakes	
Twin Lake Township	
Utica	
Verndale	
Viola	
Wadena	
Walnut Grove	
Waltham	
Wanamingo	
Warroad	

Issued By: Theodore Eidukas, DM-Derriks

\*Effective Date: February 1, 2017

-Vice President-Regulatory Affairs

Proposed Effective Date: February 1, 2017

Submittal Date: September 30, 2015November 30, 2016

\*Effective with bills issued on and after this date.

**MINNESOTA COUNTIES SERVED BY MERC**

Aitkin	Roseau
Becker	Scott
Beltrami	Steele
Benton	St. Louis
Big Stone	Swift
Carlton	Todd
Cass	Wabasha
Chisago	Wadena
Cottonwood	Waseca
Crow Wing	Washington
Dakota	Watonwan
Dodge	Winona
Faribault	Yellow Medicine
Fillmore	
Freeborn	
Goodhue	
Houston	
Hubbard	
Itasca	
Jackson	
Kanabec	
Koochiching	
Lac qui Parle	
Lake	
Lake of the Woods	
Lincoln	
Lyon	
Martin	
Morrison	
Mower	
<del>Murray</del>	
Nobles	
Norman	
Olmsted	
Ottertail	
Pennington	
Pine	
Redwood	
Rice	

Issued By: ~~Theodore Eidukas, DM Derrieks~~  
~~-Vice President-~~Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~November 30, 2016

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\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017

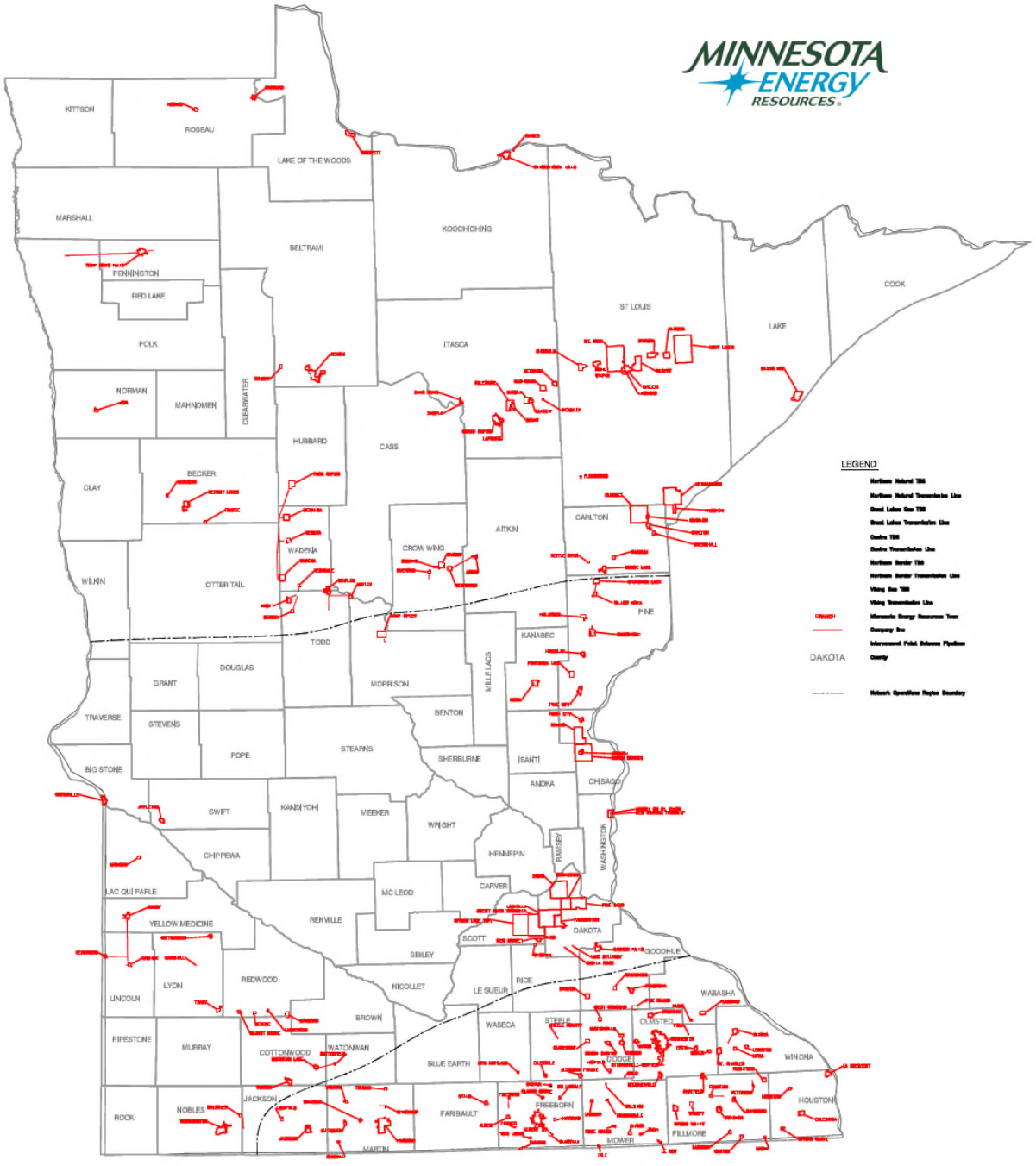
CANCELED

Issued By: Theodore Eidukas ~~DM Derrieks~~  
~~Vice President~~-Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~November 30, 2016  
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MERC



- LEGEND**
- Northern Rural T&E
  - Northern Rural Transmission Line
  - South Lake Superior T&E
  - South Lake Superior Transmission Line
  - Duluth T&E
  - Duluth Transmission Line
  - Northern Border T&E
  - Northern Border Transmission Line
  - Wing Lake T&E
  - Wing Transmission Line
  - Minnesota Energy Resources Transmission Line
  - Company Bus
  - Minnesota Power, Minnesota Pipeline Company
  - Network Operation Region Boundary





CANCELED

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Issued By: Theodore Eidukas ~~DM Derrieks~~  
~~-Vice President~~ Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016

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CONTACT LIST

The following list sets out Company's management personnel who are authorized to receive, act upon and respond to communications from the Commission. In each instance, the individuals are listed in order of who should be first contacted under each category. The phone listing shows the business number first and residential number second.

A. General Management Duties:1. Tariff Rates, Financial Data and All Other Items Not Specifically Covered Below:

~~\_\_\_\_\_ Dennis M. Derrieks Vice President, Regulatory Affairs~~

~~\_\_\_\_\_ (920) 433-1470~~

Amber S. Lee, Regulatory and Legislative Affairs Manager~~Manager Regulatory Services~~  
(651) 322-8965

2. Tariff Rules and Regulations; Pass along Increases and Related Refunds:

~~\_\_\_\_\_ Dennis M. Derrieks, Vice President, Regulatory Affairs~~

~~\_\_\_\_\_ (920) 433-1470~~

Amber S. Lee, ~~Manager Regulatory Services~~Regulatory and Legislative Affairs Manager  
(651) 322-8965

B. Customer Relations:

Nancy Lilienthal – Senior Administrative Assistant  
(651) 322-8902

~~David Perron – Business Services Manager~~Amber S. Lee, Regulatory and Legislative Affairs Manager  
(651) 322-896520

C. Emergencies - Non-Office Hours:

Emergency telephone numbers of the Company in each community served are listed in the telephone directory for that community. After hours, MERC can also be reached at 1-800-889-9508 for customer services and at 1-800-889-4970 for emergencies.

Issued By: Theodore Eidukas~~DM Derrieks~~  
~~-Vice President~~ Regulatory Affairs

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Proposed Effective Date: February 1, 2017

TECHNICAL TERMS AND ABBREVIATIONS

Company does not employ any technical or special terms which are unique to the application of any of its rate schedules, rules or regulations. All terms used by the Company are common terms in the industry. For clarification purposes such terms are defined in Rules and Regulations.

Issued By: Theodore Eidukas ~~DM Derrieks~~  
~~-Vice President~~ Regulatory Affairs  
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## RATE SCHEDULE GS-NNG GENERAL SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied by Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to firm gas service for customers whose normal requirement does not exceed 1,990 therms on peak day and such service shall not be subject to curtailment or interruption, but will be subject to curtailment by pipeline supplier in compliance with their approved Federal Energy Regulatory Commission curtailment plan.
3. Rates: Base rate of gas @ \$0.~~4188752443~~ (MERC-NNG) per therm
  - A. Residential  
Customer Charge per Month - \$9.50  
Distribution Charge @ \$0.~~241161806~~ per therm
  - B. Commercial and Industrial - 1,500 therms or less per Year  
Customer Charge per Month - \$18.00  
Distribution Charge @ \$0.~~2206518116~~ per therm
  - C. Commercial and Industrial - Over 1,500 therms per Year  
Customer Charge per Month - \$45.00  
Distribution Charge @ \$0.~~168856579~~ per therm

Rates set forth above are base rates subject to change in accordance with the provisions Purchase Gas Adjustment - Uniform Clause.

~~Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.~~

Monthly Minimum Bill: The minimum bill is the customer charge.

Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's.

Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's Minnesota General Rules, Regulations, Terms and Conditions.

Btu's will be calculated on an arithmetic average.

4. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
5. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

~~Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

CANCELED

Issued By: ~~DM Derrieks~~ Theodore Eidukas  
Vice President-Director Regulatory Affairs  
Submittal Date: November 30, 2016 ~~December 10, 2015~~  
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\*Effective Date: February 1, 2017 ~~January 1, 2016~~  
Proposed Effective Date: February 1, 2017 ~~January 1, 2016~~

## RATE SCHEDULE GS-CONSOLIDATED GENERAL SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied by Viking Gas Transmission, Great Lakes Gas Transmission, and Centra in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to firm gas service for customers whose normal requirement does not exceed 1,990 therms on peak day and such service shall not be subject to curtailment or interruption, but will be subject to curtailment by pipeline supplier in compliance with their approved Federal Energy Regulatory Commission curtailment plan.
3. Rates: Base rate of gas @ \$0.~~3478746517~~ (MERC-Consolidated) per therm
  - A. Residential  
Customer Charge per Month - \$9.50  
Distribution Charge @ \$0.~~241161806~~ per therm
  - B. Commercial and Industrial - 1,500 therms or less per Year  
Customer Charge per Month - \$18.00  
Distribution Charge @ \$0.~~2206518116~~ per therm
  - C. Commercial and Industrial - Over 1,500 therms per Year  
Customer Charge per Month - \$45.00  
Distribution Charge @ \$0.16~~885579~~ per therm

Rates set forth above are base rates subject to change in accordance with the provisions Purchase Gas Adjustment - Uniform Clause.

~~Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.~~

Monthly Minimum Bill: The minimum bill is the customer charge.

Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's.

Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions.

Btu's will be calculated on an arithmetic average.

4. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
5. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

apply to this rate schedule.

Issued By: ~~DM Derrieks-Theodore Eidukas~~  
Vice President-Director Regulatory Affairs

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Proposed Effective Date: ~~February 1, 2017~~ January 1, 2016

~~RATE SCHEDULE GS CONSOLIDATED GENERAL SERVICE (Continued)~~

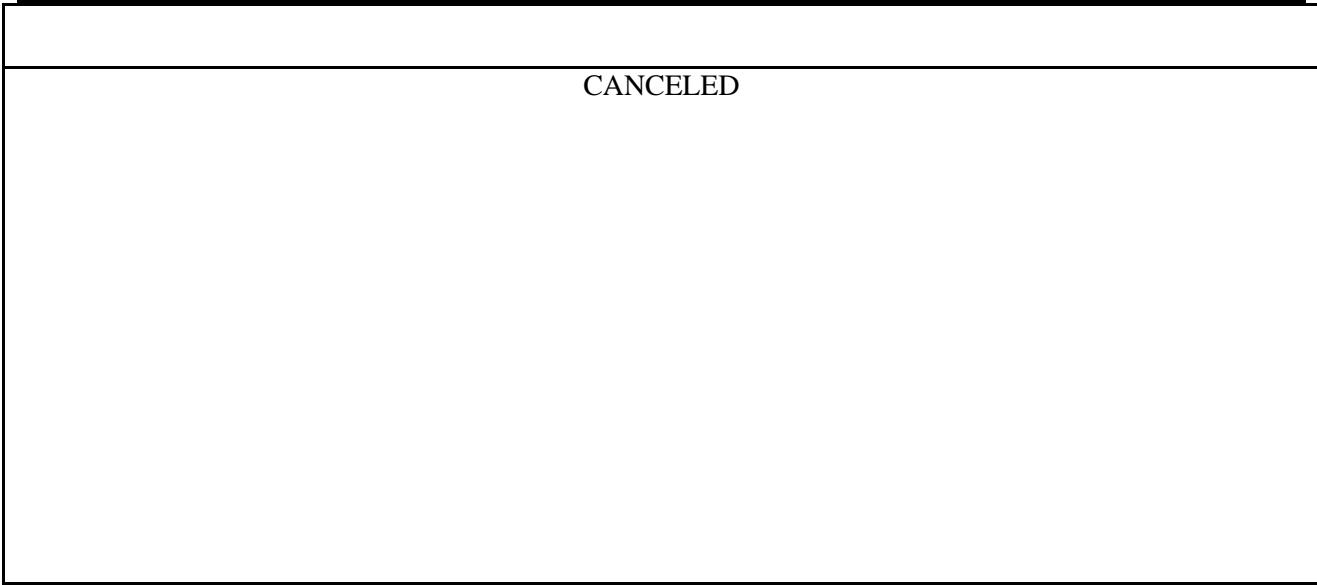
CANCELED

6. ~~Remarks: Reflects interim rates at Docket No. G011/GR 15 736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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Proposed Effective Date: February 1, 2017 ~~January 1, 2016~~



## RATE SCHEDULE GS- MERC ALBERT LEA GENERAL SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas previously served by Interstate Power and Light Company and supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to firm gas service for customers whose normal requirement does not exceed 1,990 therms on peak day and such service shall not be subject to curtailment or interruption, but will be subject to curtailment by pipeline supplier in compliance with their approved Federal Energy Regulatory Commission curtailment plan.

3. Rates: Base rate of gas @ \$0.~~3635446547~~ (MERC-Albert Lea) per therm

- A. Residential

- Customer Charge per Month - ~~\$7.255.00~~

- Distribution Charge @ \$0.~~241161806~~ per therm

- B. Commercial and Industrial – 1,500 therms or less per Year

- Customer Charge per Month – ~~\$11.505.00~~

- Distribution Charge @ \$0.~~2206518116~~ per therm

- C. Commercial and Industrial - Over 1,500 therms per Year

- Customer Charge per Month – ~~\$25.005.00~~

- Distribution Charge @ \$0.~~1688516579~~ per therm

Rates set forth above are base rates subject to change in accordance with the provisions Purchase Gas Adjustment - Uniform Clause.

~~Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bi~~

Monthly Minimum Bill: The minimum bill is the customer charge.

Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's.

Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions.

Btu's will be calculated on an arithmetic average.

4. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
5. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

apply to this rate schedule.

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~~RATE SCHEDULE GS - MERC ALBERT LEA GENERAL SERVICE (Continued)~~

CANCELED

- ~~6. Remarks: Reflects interim rates at Docket No. G011/GR 15 736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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## RATE SCHEDULE SVI-NNG SMALL VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to small volume gas service which is subject to interruption at any time upon order of MERC. Daily consumption should not exceed 199 dekatherms on any day. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. If customer or MERC thinks customer's maximum daily consumption is 200 dekatherms per day or more, usage will be monitored by the MERC to determine whether the customer qualifies for large volume service. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes not to exceed 199 dekatherms per day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.

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## RATE SCHEDULE SVI-NNG SMALL VOLUME INTERRUPTIBLE SERVICE (Continued)

4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

54. Rates:

A. Per month: Customer Charge \$165.00 per meter  
Base rate of gas @ \$0.~~3266143217~~ (MERC-NNG) per therm  
Distribution charge @ \$0.~~0974008490~~ per therm

B. The ~~base rate per therm for of daily firm capacityDFC, if any,~~ shall be \$~~1.017220.10226~~ per therm, if the customer has elected to obtain joint gas service per section 3 above. ~~MDQ, as defined in the General Rules, Regulations, Terms and Conditions, per month.~~ See Sheet No. 7.07 for rate details.

C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.

~~Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. For customers receiving joint service, a per therm interim rate adjustment for daily firm capacity will be calculated by multiplying the current rate margin of \$0.2500 by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.~~

6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

5. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.

6. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$~~520~~.00 per dekatherm so taken, whichever is applicable.

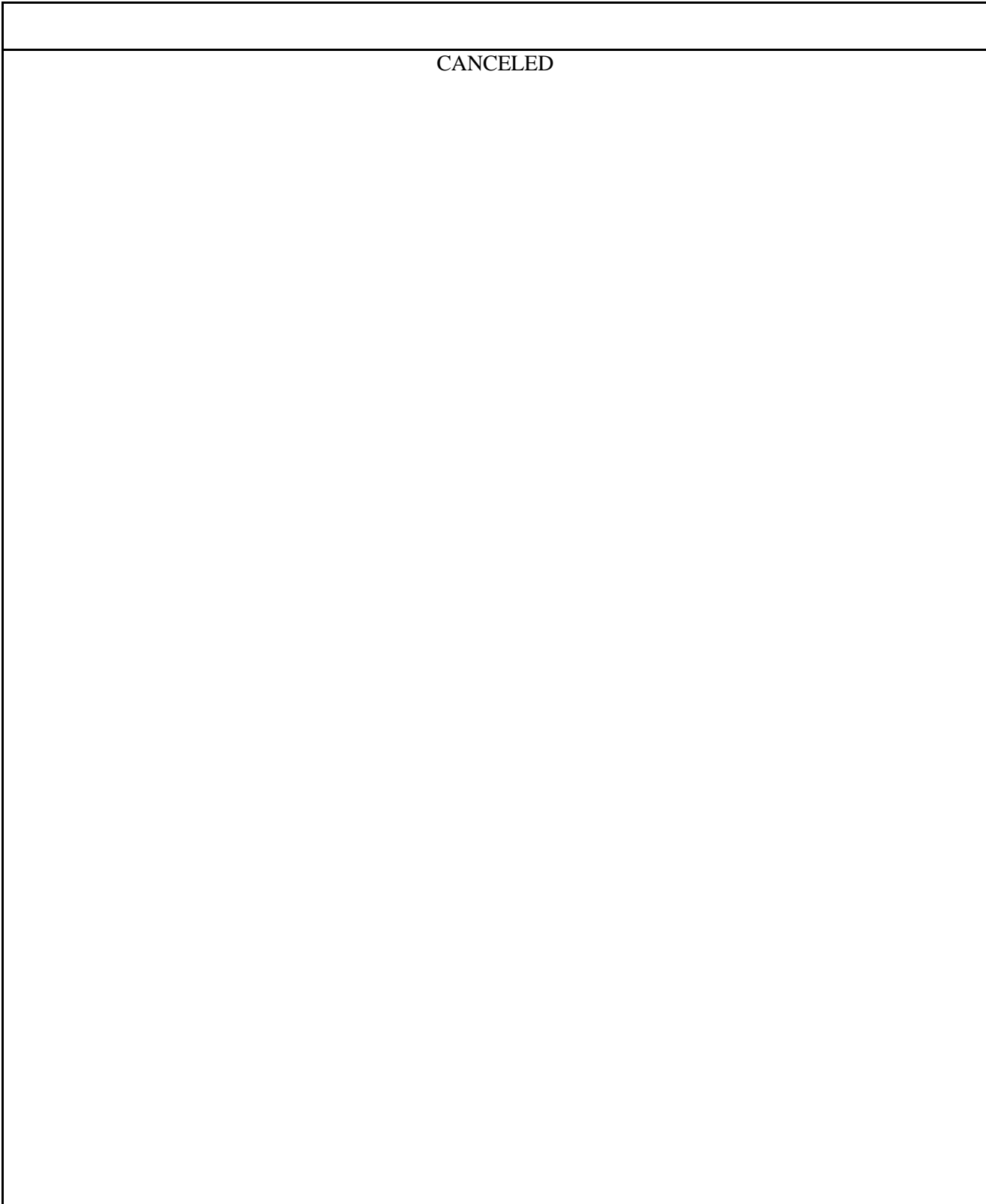
7. Telemetry: Customers other than farm tap customers must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.

8. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

9. ~~Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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## RATE SCHEDULE SVI-CONSOLIDATED SMALL VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied through Viking Gas Transmission, Great Lakes Gas Transmission, and Centra in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to small volume gas service which is subject to interruption at any time upon order of MERC. Daily consumption should not exceed 199 dekatherms on any day. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. If customer or MERC thinks customer's maximum daily consumption is 200 dekatherms per day or more, usage will be monitored by MERC to determine whether the customer qualifies for large volume service. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes not to exceed 199 dekatherms per day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.

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## RATE SCHEDULE SVI-CONSOLIDATED SMALL VOLUME INTERRUPTIBLE SERVICE (Continued)

4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

54. Rates:

- A. Per month: Customer Charge \$165.00 per meter  
Base rate of gas @ \$0.~~2679138521~~(MERC-Consolidated) per therm  
Distribution charge @ \$0.~~097408490~~ per therm
- B. The base rate per therm of for daily firm capacityDFC, if any, shall be \$0.~~0899668867~~ per MDQ, as defined in the General Rules, Regulations, Terms and Conditions, per monththerm, if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.

~~Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. For customers receiving joint service, a per therm interim rate adjustment for daily firm capacity will be calculated by multiplying the current rate margin of \$0.2500 by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.~~

- C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.

5. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

6. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.

7. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$50.00 per dekatherm so taken, whichever is applicable.

8. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related

improvements. Any such equipment and improvements shall remain the property of Company.

9. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's

General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

~~5. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.~~

~~6. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$20.00 per dekatherm so taken, whichever is applicable.~~

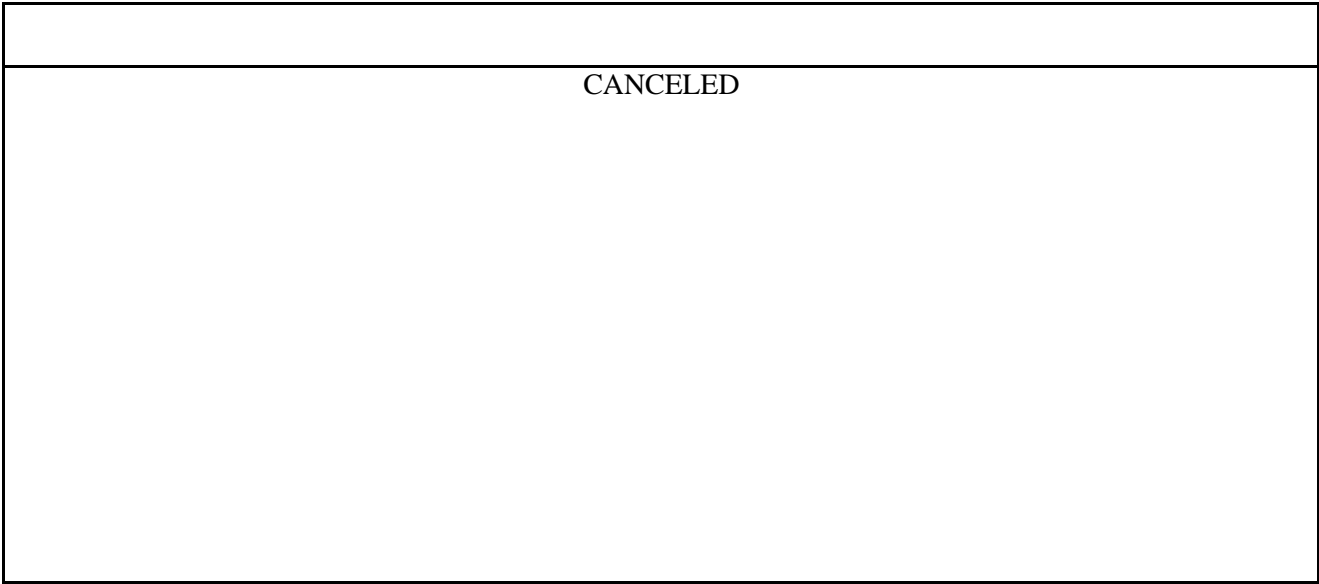
~~7. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.~~

~~8. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.~~

~~9. Remarks: Reflects interim rates at Docket No. G011/GR 15 736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

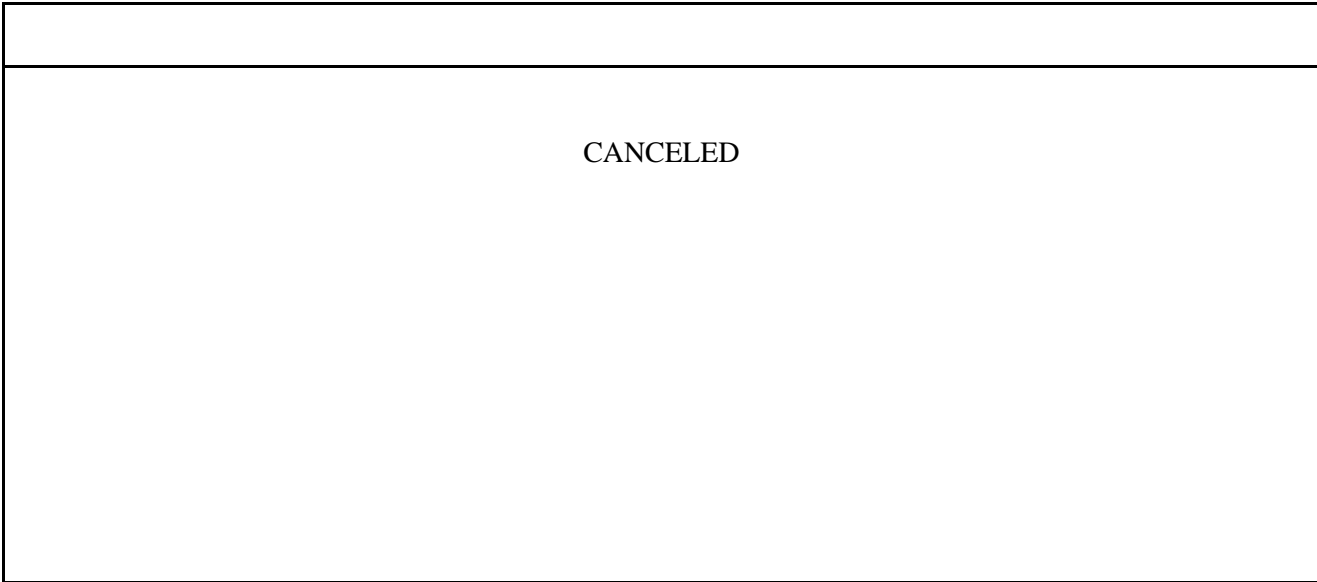
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## RATE SCHEDULE SVI- MERC ALBERT LEA SMALL VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas previously served by Interstate Power and Light Company and supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to small volume gas service which is subject to interruption at any time upon order of MERC. Daily consumption should not exceed 199 dekatherms on any day. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. If customer or MERC thinks customer's maximum daily consumption is 200 dekatherms per day or more, usage will be monitored by MERC to determine whether the customer qualifies for large volume service. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes not to exceed 199 dekatherms per day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a DFC for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
4. ~~Rates:~~
  - A. ~~Per month: Customer Charge \$14.00 per month~~  
~~Base rate of gas @ \$0.36168 (MERC Albert Lea) per therm~~  
~~Distribution charge @ \$0.08490 per therm~~
  - B. ~~The rate per therm of daily firm capacity, if any, shall be \$0.97361 per MDQ, as defined in the General Rules, Regulations, Terms and Conditions, per month. See Sheet No. 7.07 for rate details.~~

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RATE SCHEDULE SVI-MERC ALBERT LEA SMALL VOLUME INTERRUPTIBLE SERVICE  
(Continued)

4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
5. Rates:
- A. Per month: Customer Charge \$89.50 per month  
Base rate of gas @ \$0.25975 (MERC-Albert Lea) per therm  
Distribution charge @ \$0.09740 per therm
- B. The base rate for DFC shall be \$0.11379 per therm, if the customer has elected to obtain joint gas service per Section 3 above. See Sheet No. 7.07 for rate details.  
Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. For customers receiving joint service, a per therm interim rate adjustment for daily firm capacity will be calculated by multiplying the current rate margin of \$0.2500 by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.
- C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.
6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
- 7.5. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
8. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
9. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

6. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or ~~\$520.00~~ per dekatherm so taken, whichever is applicable.
- ~~7. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.~~
- ~~8. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.~~
- ~~9. Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference~~

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## RATE SCHEDULE LVI-NNG LARGE VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and mainline customers supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at any time upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. Customer must take 200 dekatherms or more per day at least once in a calendar year. MERC will have measuring equipment in place to determine that customer takes at least 200 dekatherms per day at least once on an annual basis. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes which must be 200 dekatherms or more per day at least once in a calendar year. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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## RATE SCHEDULE LVI-NNG LARGE VOLUME INTERRUPTIBLE SERVICE (Continued)

54. Rates:

- A. Per month: Customer Charge \$185.00 per meter  
Base rate of gas @ \$0.~~43217~~32661(MERC-NNG) per therm  
Distribution charge @ \$0.~~04553~~per 05329 per therm
- B. The base rate ~~per therm for of daily firm capacity~~DFC, if any, shall be \$~~1.017220~~1.0226 per MDQ, as defined in the General Rules, Regulations, Terms and Conditions, per month~~therm~~ if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.

~~Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. For customers receiving joint service, a per therm interim rate adjustment for daily firm capacity will be calculated by multiplying the current rate margin of \$0.2500 by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.~~

- C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. No late payment charge will be made if the unpaid balance is \$10 or less.
- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.

6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

75. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.

86. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$~~520~~0.00 per dekatherm so taken, whichever is applicable.

97. Telemetry: Customers other than farm tap customers must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.

108. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

119. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.

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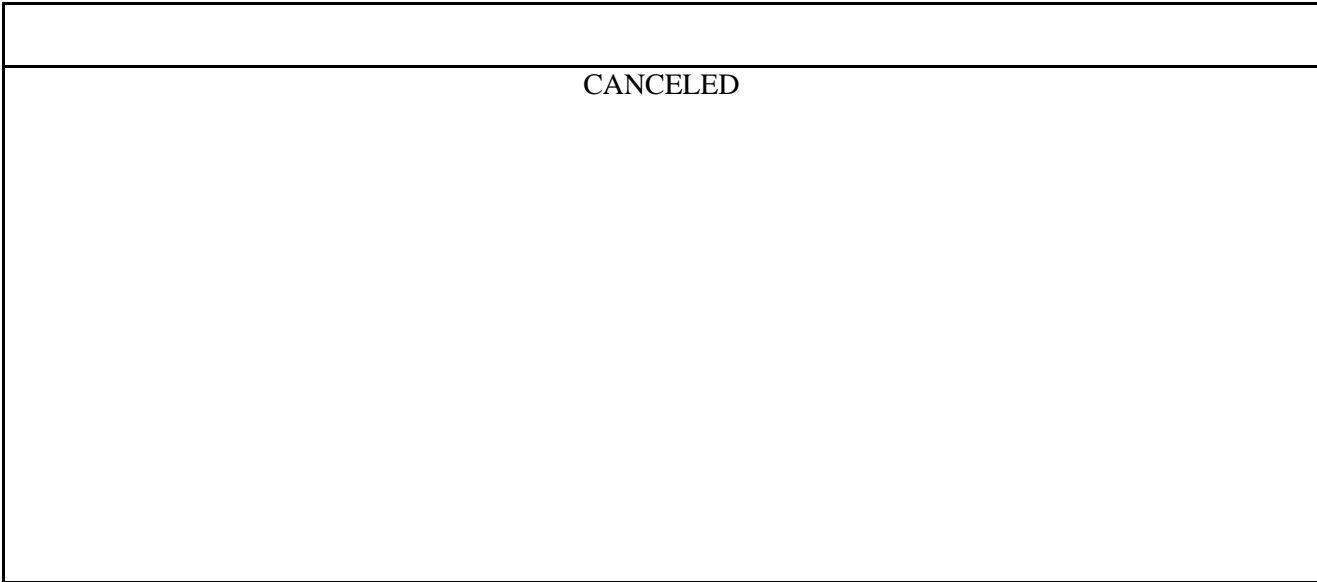
~~RATE SCHEDULE LVI-NNG LARGE VOLUME INTERRUPTIBLE SERVICE (Continued)~~  
~~RATE SCHEDULE GS-MERC ALBERT LEA GENERAL SERVICE (Continued)~~

~~10.~~ Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.

~~11.~~ Remarks: Reflects interim rates at Docket No. G011/GR 15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.

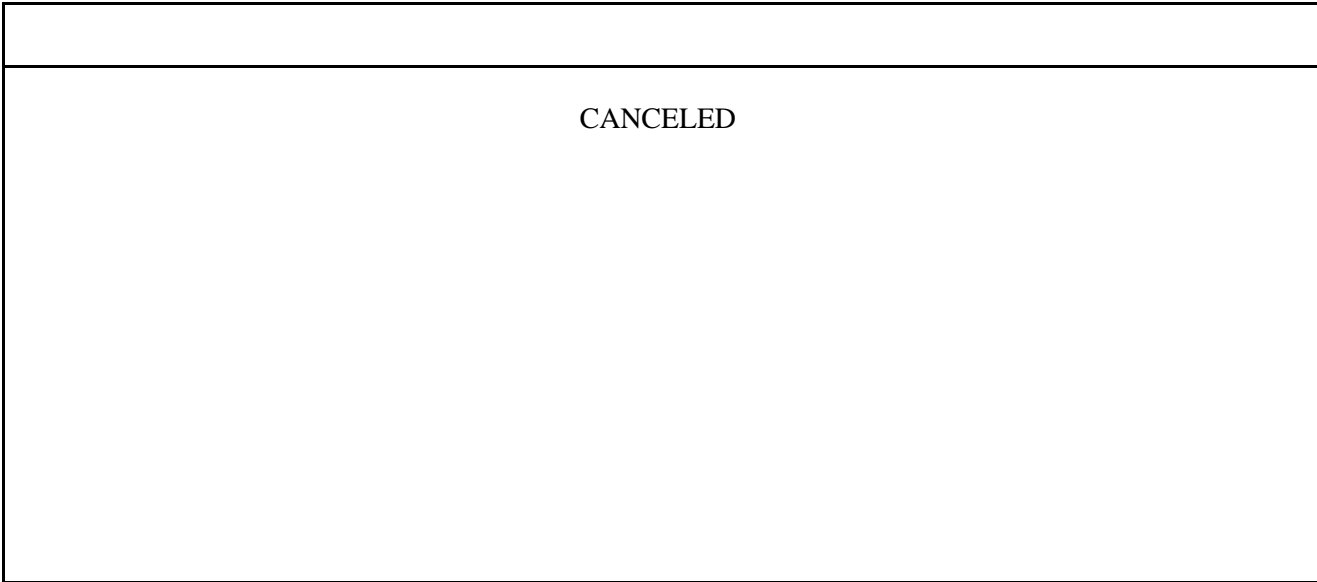
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CANCELED

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## RATE SCHEDULE LVI-CONSOLIDATED LARGE VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied through Viking Gas Transmission, Great Lakes Gas Transmission, and Centra in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at any time upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. Customer must take 200 dekatherms or more per day at least once in a calendar year. MERC will have measuring equipment in place to determine that customer takes at least 200 dekatherms per day at least once on an annual basis. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes which must be 200 dekatherms or more per day at least once in a calendar year. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.4. Rates:

A. ~~Per month: Customer Charge \$185.00 per meter~~  
~~Base rate of gas @ \$0.38521 (MERC Consolidated) per therm~~  
~~Distribution charge @ \$0.04553 per therm~~

B. ~~The rate per therm of daily firm capacity, if any, shall be \$0.68867 per MDQ, as defined in the General Rules, Regulations, Terms and Conditions, per month. See Sheet No. 7.07 for rate details.~~

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RATE SCHEDULE LVI-CONSOLIDATED- LARGE VOLUME INTERRUPTIBLE SERVICE  
(Continued)

5. Rates:

A. Per month: Customer Charge - \$185.00 per meter  
Base rate of gas @ \$0.26791 (MERC-Consolidated) per therm  
Distribution charge @ \$0.05329 per therm

B. The base rate for DFC shall be \$0.08996 per therm, if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.

~~Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. For customers receiving joint service, a per therm interim rate adjustment for daily firm capacity will be calculated by multiplying the current rate margin of \$0.2500 by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.~~

C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchased Gas Adjustment - Uniform Clause.

6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

75. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.

86. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either applicable charge from pipeline (see Sheet 6.50) or \$~~52~~0.00 per dekatherm so taken, whichever is applicable.

97. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

108. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.

119. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.

12. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.

10. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce, Division of Energy Resources (or



successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.

11. ~~Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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CANCELED

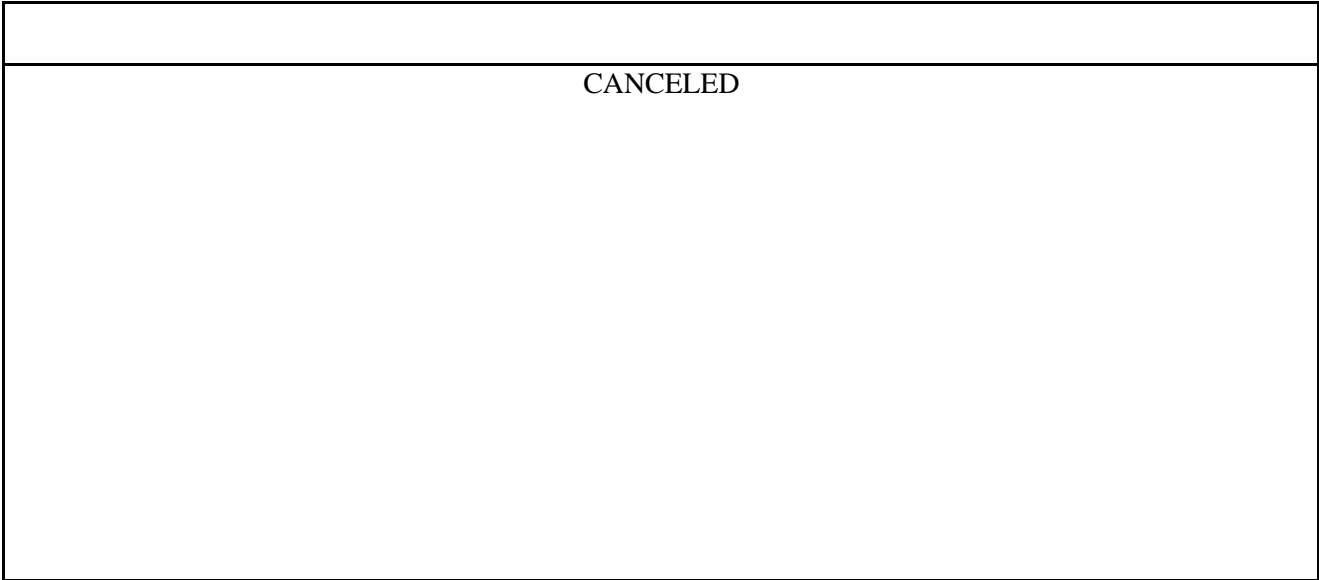
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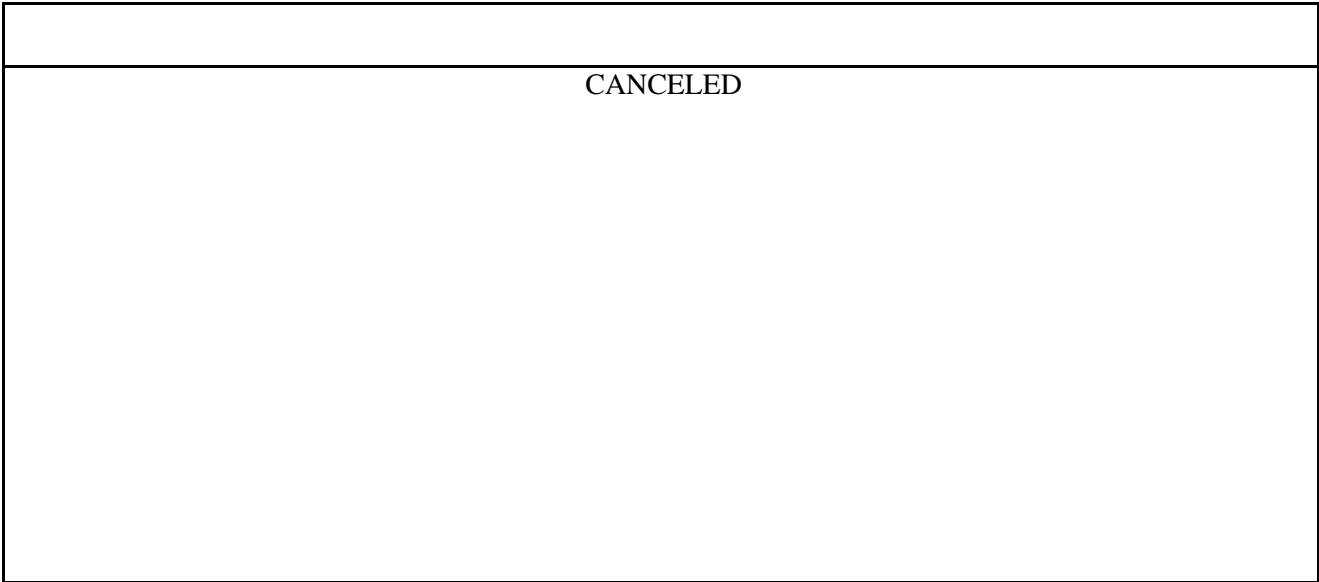
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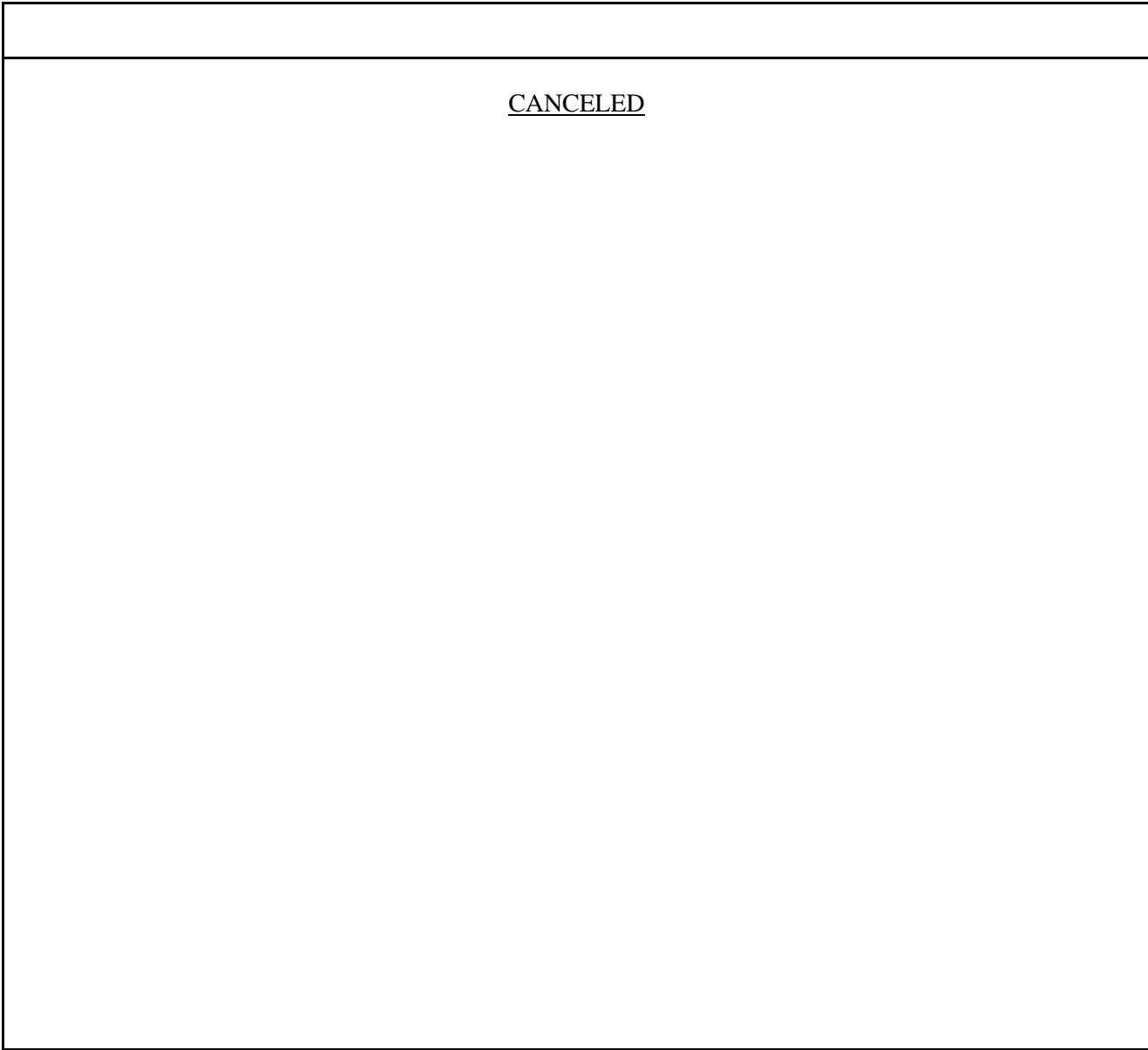
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## RATE SCHEDULE LVI-MERC ALBERT LEA LARGE VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas previously served by Interstate Power and Light Company and supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at any time upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. Customer must take 200 dekatherms or more per day at least once in a calendar year. MERC will have measuring equipment in place to determine that customer takes at least 200 dekatherms per day at least once on an annual basis. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes which must be 200 dekatherms or more per day at least once in a calendar year. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and

~~4. Rates:~~

~~A. Per month: Customer Charge LVI—\$14.00 per meter~~

~~Customer Charge LVJ—\$170.00 per meter~~

~~Base rate of gas @ \$0.36168 (MERC Albert Lea) per therm~~

~~Distribution charge @ \$0.04553 per therm~~

~~B. The rate per therm of daily firm capacity, if any, shall be \$0.97361 per MDQ, as defined in the General Rules, Regulations, Terms and Conditions, per month. See Sheet No. 7.07 for rate details.~~

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RATE SCHEDULE LVI-MERC ALBERT LEA- LARGE VOLUME INTERRUPTIBLE SERVICE  
(Continued)

4. Transfer of Service (Continued): (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
5. Rates:
- A. Per month: Customer Charge - \$99.50 per meter  
Base rate of gas @ \$0.25975(MERC-Albert Lea) per therm  
Distribution charge @ \$0.05329 per therm
- B. The base rate for DFC shall be \$0.11379 per therm, if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.  
Interim Rate Adjustment: A customer charge interim rate adjustment on the bill will be calculated by multiplying the current customer charge by 9.97%. A per therm interim rate adjustment will be calculated by multiplying the current distribution charge by 9.97%. For customers receiving joint service, a per therm interim rate adjustment for daily firm capacity will be calculated by multiplying the current rate margin of \$0.2500 by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.
- C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchased Gas Adjustment - Uniform Clause.
6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
75. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
86. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either applicable charge from pipeline (see Sheet 6.50) or \$520.00 per dekatherm so taken, whichever is applicable.
97. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
108. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
11. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.
12. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm

CCRC factor.

11. ~~Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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## RATE SCHEDULE S-LV SUPER LARGE VOLUME SERVICE

1. Availability: Service under this rate schedule is available to large volume mainline customers supplied through Northern Natural Gas Company.
2. Applicability and Character of Service: This rate schedule shall apply to joint gas service consisting of a base of firm gas volume, supplemented by additional interruptible gas volumes authorized from day to day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1 and must maintain joint gas service and must nominate a DFC for the entire November through October period. A customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request the customer must demonstrate it has such capability and fuel supplies for amounts in excess of firm entitlement volumes to maintain operations during periods of curtailment. Customer must have capacity to take 4,000 dekatherms or more per day and annual consumption of 1.2 Bcf (1,200,000 dekatherms), except that, where consumption falls below this level due exclusively to efforts to conserve energy, or temporarily due to a strike or shutdown, customer is still eligible to take service under this tariff. Customer must document conservation efforts to justify consumption below 1,200,000 dekatherms. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
- ~~2-3.~~ Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
43. Rate:
  - A. The customer charge shall be \$3650.00 per month per meter.
  - B. The base rate per therm of daily firm capacity for DFC shall be \$~~094331.01722~~ (MERC-NNG) per therm, if the customer has elected to obtain joint gas service MDQ, as defined in the General Rules, Regulations, Terms and Conditions, per month. See Sheet No. 7.07 for rate details. No demand charge shall be billed to customer or shall be due from them for days during a month when total curtailment of their daily firm capacity entitlement was in effect. For days of partial curtailment, however, daily firm capacity charges shall be billed to and paid by customer in an amount determined by dividing the monthly daily firm capacity charge by 30 and multiplying the product by a ratio, the numerator of which is the actual volumes delivered on such day and the denominator of which is the customer's daily

firm capacity.

~~C. The base rate of gas is \$0.43217 (MERC NNG) per therm, and the distribution charge is \$0.00420 per therm for CIP Exempt and \$0.02767 per therm for CIP Applicable.~~

~~D. The monthly minimum bill shall be the customer charge, the daily firm capacity charge and the applicable commodity charge for all volumes taken subject to and computed in accordance with C.~~

~~Rates set forth above are base rates subject to change in accordance with the provisions of Purchased Gas Adjustment – Uniform Clause.~~

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## RATE SCHEDULE S-LV SUPER LARGE VOLUME SERVICE (CONTINUED)

4. Rate (Continued):

C. The base rate of gas is \$0.32661 (MERC-NNG) per therm, and the distribution charge is \$0.00448 per therm for CIP-Exempt and \$0.03215 per therm for CIP-Applicable.

D. The monthly minimum bill shall be the customer charge, the daily firm capacity charge and the applicable commodity charge for all volumes taken subject to and computed in accordance with C.

E. Rates set forth above are base rates subject to change in accordance with the provisions of Purchased Gas Adjustment - Uniform Clause. ~~Interim Rate Adjustment: A 9.97% adjustment will be applied to each bill for customer charges prior to any applicable cost of gas charges and surcharges. For customers receiving joint service, a per therm interim rate adjustment for daily firm capacity will be calculated by multiplying the current rate margin of \$0.06200 by 9.97%. The interim rate adjustment will be shown as a line item adjustment on the customer bill.~~

5.- Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

64. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid within 17 days of the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

75. Penalty For Unauthorized Takes When Service Is Interrupted: Buyer shall be billed and shall pay \$~~520~~.00 per dekatherm for unauthorized overrun gas in addition to the rates in Paragraph "~~43~~". In addition, should Northern Natural Gas Company call a Critical Day, the penalty for unauthorized takes will be those set out on Sheet No. 6.50.

86. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

97. Telemetry: Customers other than farm tap customers must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.

108. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.

119. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.

~~10. Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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## TRANSPORTATION RATE SCHEDULE

1. Availability: Service under this rate schedule is available to any non-general service end-use customer who purchases gas supplies that can be transported on a firm or interruptible basis by MERC. Service hereunder shall be offered on a firm or interruptible basis contingent upon adequate interstate pipeline system capacity. Transportation service is not available to general service customers. Transportation is only allowed on open access pipelines (Centra is the only non-open access pipeline). Note that MERC-Albert Lea Transportation customers will be administered under NNG provisions of these tariff sheets.

Service will be provided on a firm basis only if the customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company's distribution system and the customer has provided to Company a Joint affidavit Certification confirming this signed by the customer and, if applicable, the marketer. Interruptible transportation is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company's service to such customer is interrupted. At Company's request, the customer must demonstrate that it has such capability and fuel supplies.

Class of Service: Transportation customers, if otherwise qualified for the rate, may choose transportation service from one of the following classes:

Small Volume Interruptible Service

Large Volume Interruptible Service

Small Volume Joint Firm/Interruptible Service

Large Volume Joint Firm/Interruptible Service ~~Super Large Volume Service~~

Super Large Volume Interruptible Transport (~~See Rate Schedule Sheet Nos. 6.20 and 6.25~~)  
~~only available for transportation not sales service.~~

~~Super Large Volume Joint Firm/Interruptible Service~~

2. Rate:  
Fixed Rate

Transportation Administrative Customer Charge - \$110.00 per month per metered account for administrative costs related to transportation plus:

~~\$170.00 per month – SVI/SVJ Transport~~

~~\$190.00 per month – LVI/LVJ Transport~~

~~\$360.00 per month – SLVI/SLVJ Transport~~

~~For MERC-NNG and MERC Consolidated customers, the monthly customer charge according to the applicable sales rate schedule for which the customer would otherwise qualify:~~

~~Large Interruptible Gas Transportation Customer Charge \$100.00 per month per meter~~

Daily Firm Capacity Charge

If applicable is at the rate set in the customer's regular sales tariff schedule as shown on Sheet 7.07, Column F.

~~Commodity-Tariff Margin Charge~~

All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for such customer as shown on Sheet 7.07, Column D. In addition, the customer must pay for all fixed gas costs assigned to the customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following:

## TRANSPORTATION RATE SCHEDULE (Continued)

Daily Firm Capacity Charge  
 Annual Cost Adjustment Charges  
Conservation Cost Recovery Charges and Conservation Cost Recovery Adjustments  
 Any other Fixed costs passed on by the pipeline, applicable for recovery

Additional costs will be assigned as they are authorized by the FERC or Minnesota Public Utilities Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all firm volumes delivered from system gas supply shall be charged the rate set in the appropriate sales tariff schedule.

3. Special Conditions:

- A. Customer must have arranged for the purchase of gas other than Company's system supply and for its delivery to Company system. Company shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to Company's system.
- B. The customer shall execute a written contract for transportation services along with any attendant addendums pursuant to this rate schedule containing such terms and conditions as Company may reasonably require.
- C. All ~~Large Volume~~ transportation customers other than farm tap customers must have Company install telemetry equipment at the customer's expense. The telemetry equipment must be installed ~~no later than 90 days after~~prior to the commencement of natural gas service to the customer. ~~Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherm, may request in writing a waiver of the telemetry requirements. All Small Volume transportation customers other than farm tap customers must have Company install telemetry equipment at the customer's expense. Customers must reimburse Company for the cost incurred by Company to install telemetry equipment and for the cost of any other improvements made by Company in order to provide this transportation service.~~ Company will offer financing for periods up to 90 days interest free. Company will offer financing with interest to a customer to pay for the installation of telemetry equipment for a period of more than 90 days but not more than 12 consecutive months on a non-regulated basis. The telemetry equipment and any other improvements made by Company shall remain the property of Company.
- D. Company's sales refunds applicable to the period when gas is transported will not be made to transportation customers.
- E. The order of gas delivery for purposes of billing will be as follows:
- First, customer-owned firm volumes.
  - Second, customer-owned interruptible volumes.
  - Third, sales gas priced per Company's applicable sales tariffs.
- F. Customer agrees to curtail the use of gas purchased from third party suppliers of gas when the gas purchased from the third party is not delivered to Company's system.
- G. Customers may transfer to Transportation Service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A transportation customer must maintain transportation service for the entire November through October period. A transportation customer may not return to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service.

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## TRANSPORTATION RATE SCHEDULE (Continued)

~~firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.~~

H. Joint rate transportation service customers can select one of the following two options:

- 1) Customers served under the joint sales rate may purchase both interstate pipeline capacity and Company's distribution system capacity from Company. In this case, customers would be billed the "Base Gas Cost", "PGA Adjustment", "Annual ACA Adjustment", and the "Tariff Margin" (as shown on Company's tariff sheet No. 7.07).
- 2) Customers may choose to separately purchase interstate pipeline capacity from a third party non-regulated supplier (as demonstrated by providing Company with a Joint affidavit-Certification signed by the customer and the third party supplier) and distribution system capacity from Company. In this case, customers would be billed only the "Tariff Margin" (as shown on Company tariff sheet No. 7.07).

Customers purchasing interstate pipeline capacity from third party non-regulated suppliers must be able to demonstrate they have been provided the necessary units of interstate pipeline capacity to meet their firm needs. Customers who have previously entered into contracts with Company for the purchase of interstate pipeline capacity are responsible for completing their contract obligations.

If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.

4. BTU Adjustment: Customer billed usage in therm volumes will be adjusted when the Btu content of delivered gas varies from 1,000 Btu per cubic foot.
5. Nomination: Customers requesting volumes to flow on the first day of any month must directly advise Company's Gas Control Department by 9:00 a.m. (Central Clock time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on their behalf. Customers requesting nomination changes on days subsequent to the first day commencing at 9:00 a.m. Central Clock time must directly advise Company's Gas Control Department by 9:00 a.m. (Central Clock time) on the preceding day of the volumes to be delivered on their behalf. Intraday nominations will be accepted by the Company on a best efforts basis, provided the nomination is confirmed by the interstate pipeline.

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## TRANSPORTATION RATE SCHEDULE (Continued)

6. Balancing: To assure Company's system integrity, the customer is responsible for: 1) providing nominations which accurately reflect customer's expected consumption, and 2) balancing deliveries to Company's system with volumes consumed at the delivery points.
7. Balancing and Scheduling Charges: Failure to fulfill these responsibilities will result in the customer incurring balancing and/or scheduling charges as described below.

These charges are applicable only to Company's town plant customers whose supply requirements could impact other customers and do not apply to Company's mainline customers who are the only customer taking gas at those points or MERC's SLVI-NNG Transport or SLVI-Consolidated Transport customers. However, each mainline or SLVI-NNG Transport and SLVI-Consolidated Transport customer must pay for any balancing or scheduling penalties from pipelines that the customer causes Company to incur.

Daily Scheduling Charges

This section is applicable to all transportation customers except for Company's mainline or SLVI-NNG Transport or SLVI-Consolidated Transport customers. Mainline or SLVI-NNG Transport and SVLI-Consolidated Transport customers must pay for any balancing or scheduling penalties from pipelines that they cause Company to incur. Except as noted below, the following charges will apply:

Northern Natural Gas – Daily Scheduling Charges

- A. A tolerance of +/-5% of confirmed nomination will be applied
- B. For consumption within tolerance, no scheduling charges will be applied.
- C. For consumption outside tolerance, a scheduling charge shall be applied to the volume exceeding tolerance equal to the maximum effective Northern Natural Gas TI rate for the customer's market area.

On days that Northern Natural Gas calls a **System Overrun Limitation** the following charges will be in effect:

- A. For consumption greater than the confirmed nomination, the following charges will be applied:
1. For consumption up to 105% of confirmed nomination, \$1.00 per dekatherm in excess of confirmed nomination up to 105%.
  2. For consumption greater than 105% of confirmed nomination, \$10.66 per dekatherm in excess of 105% of confirmed nomination.

B. For consumption less than the confirmed nomination, there is no charge.

On days that Northern Natural Gas calls a **System Underrun Limitation** the following charges will be in effect:

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## TRANSPORTATION RATE SCHEDULE (Continued)

- A. For consumption greater than the confirmed nomination, there is no charge.
- B. For consumption less than the confirmed nomination, \$1.00 per dekatherm.

On days that Northern Natural Gas calls a **Critical Day** the following charges will be in effect:

- A. For consumption greater than the confirmed nomination, the following charges will be applied:
  - a. For consumption up to 102% of confirmed nomination, \$15.00 per dekatherm in excess of confirmed nomination up to 102%.
  - b. For consumption greater than 102% up to 105% of confirmed nomination, \$22.00 per dekatherm in excess of 102% up to 105% of confirmed nomination.
  - c. For consumption greater than 105% up to 110% of confirmed nomination, \$56.50 per dekatherm in excess of 105% up to 110% of confirmed nomination.
  - d. For consumption greater than 110% of confirmed nomination, \$113.00 per dekatherm in excess of 110% of confirmed nomination.
- B. For consumption less than the confirmed nomination, there is no charge.

These charges are in addition to any Company charges, as provided for in Company tariff, for unauthorized takes of gas when service is interrupted.

Great Lakes and Viking – Daily Scheduling Charges

Any penalties incurred as a result of the customer will be passed along to the customer.

Any upstream costs that can be specifically identified as being caused by a specific end use customer will be assigned to that customer.

These charges are in addition to any Company charges, as provided for in Company's tariff, for unauthorized takes of gas when service is interrupted.

Monthly Imbalances:

This Section is applicable to all transportation customers ~~except for Company's mainline or SLVI-NNG Transport and SLVI Consolidated customers~~. Mainline or SLVI-NNG and SLVI-Consolidated Transport customers must pay for any balancing or scheduling penalties from pipelines that they cause Company to incur. As imbalances occur, Company and the customer will attempt to correct them within the same month in which they occur. Failing such a correction, the imbalances will be corrected on a monthly basis through the following cash out procedure:

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TRANSPORTATION RATE SCHEDULE (Continued)

Northern Natural Gas—Monthly Imbalances

The difference between confirmed nominated volumes and actual consumption will be charged or credited to the customer based on the appropriate Market Index Price (MIP). The basis for the MIP shall be the average weekly prices as quoted for the Ventura and Demarc points in Gas Daily for a 5 week period starting on the first Tuesday of the calendar month for which the MIP is being established and ending on the first or second Monday of the following month, whichever is applicable, to arrive at a 5 week period.

The MIPs shall be determined as follows:

High MIP: The highest weekly average during the 5 week period for the applicable month, plus pipeline fuel at the effective pipeline fuel rate, plus pipeline commodity at the effective pipeline commodity rate, plus a capacity release value, which will be deemed to be \$0.07/dekatherm.

Low MIP: The lowest weekly average during the 5 week period for the applicable month, plus pipeline fuel at the effective pipeline fuel rate, plus pipeline commodity at the effective pipeline commodity rate.

Average MIP: The average of the weekly averages during the 5 week period for the applicable month, plus pipeline fuel at the effective pipeline fuel rate, plus pipeline commodity at the effective pipeline commodity rate.

In addition, the cash out price is tiered to encourage good performance and discourage gaming of the system.

<u>Imbalance Level</u>	<u>Due Company</u>	<u>Due Customer</u>
0% - 3%	High MIP * 100%	Low MIP * 100%
For the increment that is greater than 3% up to 5%	High MIP * 102%	Low MIP * 98%
For the increment that is greater than 5% up to 10%	High MIP * 110%	Low MIP * 90%
For the increment that is greater than 10% up to 15%	High MIP * 120%	Low MIP * 80%
For the increment that is greater than 15% up to 20%	High MIP * 130%	Low MIP * 70%
For the increment that is greater than 20%	High MIP * 140%	Low MIP * 60%

Example:

If the nominated volume was 100 dekatherm and the actual consumption was 130 dekatherm, there is an imbalance of 30 dekatherm due Company. The transportation customer would owe Company the following amount using the above hypothetical High MIP of \$2.23: (\*)

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TRANSPORTATION RATE SCHEDULE (Continued)

3 dekatherm at MIP * 100%	\$ 6.69
2 dekatherm at MIP * 102%	\$ 4.55
5 dekatherm at MIP * 110%	\$12.26
5 dekatherm at MIP * 120%	\$13.38
5 dekatherm at MIP * 130%	\$14.49
10 dekatherm at MIP * 140%	<u>\$31.22</u>
	\$82.59

(\*) These hypothetical prices are used for illustration purposes only.

If the pipeline provides an imbalance to storage option, and the transporter has a storage account on the pipeline, Company and the transporter may transfer imbalances to or from pipeline storage accounts, provided certain conditions are met. If the transaction would cause Company’s storage account to breach any contractual limitations, or would otherwise cause undue harm to Company’s management of its storage accounts, the storage transfer may not be allowed. If there are any charges from the pipeline to effectuate the storage transfer, the customer will be responsible for payment of any such actual costs.

Viking and Great Lakes – Monthly Imbalances

If the monthly imbalance is due to a deficiency of deliveries (customer excess) relative to scheduled nominations, Company shall pay customer in accordance with Schedule A below. If the monthly imbalance is due to an excess of deliveries (customer shortfall) relative to scheduled nominations, customer shall pay Company in accordance with Schedule B below. In addition to correcting the monthly imbalance in cash, (a) Company shall pay to customer the “Transportation Component” if deliveries are greater than scheduled nominations, or (b) Customer shall pay to Company the “Transportation Component” if deliveries are less than scheduled nominations. For Viking, the “Transportation Component” shall be equal to the Commodity Rate under Rate Schedule FT-A rate for transportation to the applicable zone multiplied by the monthly imbalance, plus an applicable fuel and use charges, as stated in Viking’s tariff. For Great Lakes, the “Transportation component” shall be equal to the Usage Rate under Rate Schedule FT, for a West to West transport (Emerson to Cloquet) multiplied by the monthly imbalance plus fuel, plus FERC’s Annual Charge Adjustment (ACA), plus Gas Research Institute charge (GRI), as stated in Great Lakes tariff.

Schedule A

% Monthly Imbalance	Company Pays Customer Following % of the Index Price
0-5%	100% Average Monthly
>5-10%	85% Average Monthly
>10-15%	70% Average Monthly
>15-20%	60% Average Monthly
>20%	50% Average Monthly

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## TRANSPORTATION RATE SCHEDULE (Continued)

## Schedule B

% Monthly Imbalance	Customer Pays Company Following % of the Index Price
0-5%	100% Average Monthly
>5-10%	115% Average Monthly
>10-15%	130% Average Monthly
>15-20%	140% Average Monthly
>20%	150% Average Monthly

The Index Price shall be determined on a weekly and monthly basis. Each Weekly Index Price shall equal the price of gas at Emerson, Manitoba as published in the "Weekly Price Survey" of Gas Daily for such week. For purposes of determining the cashout of imbalances in accordance with Schedules A and B herein, the "Average Monthly Index Price" shall be the average of the Weekly Index Prices determined during a given month.

If Gas Daily's "Weekly Price Survey" is no longer published, customer and Company shall meet to undertake to agree upon alternative spot price indices.

8. Pipeline Charges: Any charges which Company incurs from the pipeline on behalf of a customer shall be passed through to that customer.

~~9. Firm Backup Sales Service: In order to obtain a firm backup sales service, customer must purchase a sufficient number of daily firm capacity units to cover the desired level of firm sales service. The rate for firm backup sales service will be the applicable firm sales rate, plus the appropriate monthly customer charge and appropriate daily firm capacity charge for the applicable class of sales service. A customer who takes gas in excess of the contracted amount will be subject to applicable penalties listed in Section 7, Balancing and Scheduling Charges. If a customer's transportation gas does not arrive on schedule, the customer will be shut off until the transportation gas does arrive, unless the customer has not taken more than its contracted amount of gas, as noted above.~~

- 9.10. Aggregation Service: A Marketer or other third-party supplier may combine a group of transportation customers that have the same balancing provisions and are located on the same interstate pipeline system and within the same interstate pipeline operational zone. If the Marketer or other third-party supplier purchases this aggregation service, the aggregated group will be considered as one customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e., individual customer nominations and consumption will be summed and treated as if there were one customer. In the event that the pipeline calls a limitation day (SOL, SUL, critical day) at less than a pipeline or zone level, the Company has the right to require the aggregation provisions to occur at the same level.

The cost of the aggregation service is \$.0425 per dekatherm of gas delivered to the aggregated group.



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## TRANSPORTATION RATE SCHEDULE (Continued)

~~10.~~ Small Volume Balancing Service

Daily Balancing: Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company's Small Volume Balancing Service in lieu of meeting Company's Transportation Tariff daily scheduling requirements. Customers who elect this service shall enter into a Small Volume Balancing Service agreement with Company.

Customers choosing this daily balancing service must submit a daily nomination to Company on those days the service is used. Under certain circumstances described below, Company may, at its option, require customer to deliver its MDQ, as defined in General Rules, Regulations, Terms and Conditions, to the Receipt Point up to a cumulative 20 days (in addition to interstate pipeline OFO and critical days) during the months of November through March. If MDQ delivery does not occur then customer must curtail to the level of their confirmed nomination. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that interstate pipeline calls a Critical Day or Operational Flow Order, customer must, without notice from Company, deliver its MDQ to the receipt point. In the event that Company calls a Critical Day, as defined in general Rules, Regulations, Terms and Conditions, or issues an Operational Flow Order as defined in general Rules, Regulations, Terms and Conditions, Company will notify customer via fax that customer must deliver its MDQ to the Receipt Point. Company will provide customer with at least 25 hours notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to customer, that customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order. If customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order, or the Company has called a critical day, then Company shall assess a penalty to customer for each dekatherm that customer failed to deliver in an amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow Order and customer fails to deliver its MDQ then Company will assess a penalty to customer in an amount equal to that identified in 13 below for each dekatherm that customer failed to deliver.

The cost of the service is 7.0¢ per dekatherm transported on Company's system. Revenues collected from this balancing service will be credited against the cost of sales gas (demand and commodity) Weighted Average Cost of Gas (WACOG).

~~11.~~ Large Volume Balancing Service (LVBS) Program

This service is available to Large Volume Transportation customers that have telemetry equipment installed. This service is also available to aggregators that have pooled Large Volume Transportation customers with telemetry equipment installed. The service is not available to mainline customers or customers with end user allocation agreements. Company shall have the right to deny service if it deems the customer or aggregator is intentionally over or under nominating. Customers who elect this service shall enter into a Large Volume Balancing Service agreement with Company.

This service allows the customer to purchase additional swing capability. This allows the customer's daily usage to vary from its nomination by the amount of service that the customer chooses to purchase, beyond the tolerance permitted under Section 7 of this Transportation Rate Schedule. For example, a customer purchasing 20 units of LVBS and nominating 100 MMBtu on a normal day would be permitted to consume as little as 75 MMBtu or as much as 125 MMBtu during that day before incurring any daily scheduling charges.  $(100 \times 5\% + 20 = 25 \text{ MMBtu} +/-)$ .

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## TRANSPORTATION RATE SCHEDULE (Continued)

This service will not be available on pipeline SOL, SUL, or Critical Days. Likewise, this service shall not be available on any day that the Company issues a Curtailment Day, or any other day that the Company determines, in its sole judgment, that the service would be detrimental to its General Service customers.

The reservation rate for this service is \$2.18 per dekatherm. This rate is equivalent to Northern Natural Gas' SMS demand charge. A variable charge of \$0.0208 per dekatherm shall be applied to those volumes consumed outside the daily tolerance level of +/- 5%. This rate is equivalent to NNG's SMS variable/commodity rate. The Company will change the rates for LVBS any time NNG changes its rate for SMS by calculating the new SMS rate using a 50% utilization factor. The Company will submit a miscellaneous tariff filing, including revised tariff sheets, with the Minnesota Public Utilities Commission any time it proposes to adjust this rate due to a change in the SMS rate. Revenues collected from this service will be credited against the cost of sales gas.

The term of service is one month commencing on the first gas day of the calendar month and shall remain in effect from month-to-month thereafter until terminated by either party by thirty days written notice.

- ~~123.~~ Payment: The bill is due seventeen days after issuance. There shall be a late payment charge of one and one-half percent per month on the unpaid balance.
- ~~134.~~ Penalty for Unauthorized Takes When Service is Interrupted or Curtailed: If customer fails to curtail its use of gas hereunder when requested to do so by Company, customer shall be billed at the transportation charge, plus the cost of gas Company secures for the customer, plus the greater of either the pipeline daily delivery variance charges (see Sheet 6.50) or ~~\$520~~ per dekatherm, whichever is applicable, for gas used in excess of the volumes of gas to which customer is limited. Company may in addition disconnect customer's supply of gas if customer fails to curtail its use thereof when requested by Company to do so.
- ~~145.~~ Notification: Company will provide written notice to each customer contracting for transportation service that unless the customer buys ~~firm backup joint-sales~~ service from Company, Company is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges Company incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 14 above, and the price for such gas.
- ~~156.~~ End User Allocation Agreement: Company will enter into and/or maintain an End User Allocation Agreement ("EUAA") with any transportation customer requesting such EUAA under the following conditions: (1) Customer must have telemetry installed at its facility; (2) Such EUAA will not negatively impact Company's sales customers; and (3) Northern Natural Gas Company is willing to enter into such EUAA.
- ~~167.~~ General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

~~18. — Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

RATE SCHEDULE SLVI-NNG  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE

1. Availability: Service under this rate schedule is available to large volume transport customers served by Northern Natural Gas within two (2) miles of an alternate supply source.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at anytime upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate it has such capacity and fuel supplies. Customer must have capacity to take 1,666 dekatherm or more per day and annual consumption of .5 Bcf (500,000 dekatherm), except that, where consumption falls below this level due exclusively to efforts to conserve energy, or temporarily due to a strike or shutdown, customer is still eligible to take service under this tariff. Customer must document conservation efforts to justify consumption below .5 Bcf. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a DFC for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
4. Rate  
Customer Charge ~~— The customer charge shall be \$360.00~~ ~~\$460.00~~ per month per meter plus a charge of \$110.00 per month for administrative costs related to transportation.

Commodity-Tariff Margin Charge:

All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin of \$0.00~~44842~~ per therm for CIP-Exempt and \$0.0~~32152868~~ per therm for CIP-Applicable. Additional costs will be assigned as they are authorized by the FERC or state Commissions to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs.

Volume Adjustment: Rates based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions.

Btu's will be calculated on an arithmetic average. ~~Interim Rate Adjustment: A 9.97% adjustment will be applied to each bill for customer and daily firm capacity charges prior to any applicable cost of gas charges and surcharges. The interim rate adjustment will be shown as a line item adjustment on the customer's~~



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## RATE SCHEDULE SLVI-NNG

## SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

5. Special Conditions

- A. Customer must have arranged for the purchase of gas other than MERC system supply and for its delivery to MERC's system. MERC shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to MERC's system.
- B. The customer shall execute a written contract for transportation services pursuant to this rate schedule containing such terms and conditions as MERC may reasonably require.
- C. All ~~Large Volume~~ transportation customers other than farm tap customers must have MERC install telemetry equipment at the customer's expense. The telemetry equipment must be installed ~~no later than 90 days after~~prior to the commencement of natural gas service to the customer. ~~Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherm, may request in writing a waiver of the telemetry requirements. Customers must reimburse MERC for the cost incurred by MERC to install telemetry equipment and for the cost of any other improvements made by MERC in order to provide this transportation service.~~ MERC will offer financing for periods up to 90 days interest free. MERC will offer financing with interest to a customer to pay for the installation of telemetry equipment for a period of more than 90 days but not more than 12 consecutive months on a non-regulated basis. The telemetry equipment and any other improvements made by MERC shall remain the property of MERC.
- D. MERC's sales refunds applicable to the period when gas is transported will not be made to transportation customers.
- E. The order of gas delivery for purposes of billing will be as follows:
  - First, customer-owned firm volumes.
  - Second, customer-owned interruptible volumes.
  - Third, sales gas priced per MERC's applicable sales tariffs.
- F. Customer agrees to curtail the use of gas purchased from third party suppliers of gas when the gas purchased from the third party is not delivered to MERC's system.
- G. Customers may transfer to Transportation Service for the period November 1 through October 31 after giving MERC ninety days advance notice prior to November 1. A transportation customer must maintain transportation service for the entire November through October period. A transportation customer may not return to sales service until the next November 1st and must notify MERC in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if MERC is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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## RATE SCHEDULE SLVI-NNG

## SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

~~A customer may only transfer to firm sales service if MERC is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.~~

65. **Nomination:** Customers requesting volumes to flow on the first day of any month must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on their behalf. Customers requesting nomination changes on days subsequent to the first day commencing at 9:00 a.m. Central Clock time must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) on the preceding day of the volumes to be delivered on their behalf. Intraday nominations will be accepted by MERC on a best efforts basis.
76. **Balancing:** To assure MERC system integrity, the customer is responsible for: 1) providing nominations which accurately reflect customer's expected consumption, and 2) balancing deliveries to MERC's system with volumes consumed at the delivery points.
87. **Balancing and Scheduling Charges:** Failure to fulfill these responsibilities will result in the customer incurring balancing and/or scheduling charges. MERC's SLVI-NNG transport customers must pay for any balancing and scheduling penalties from pipelines that the customer causes MERC to incur.
98. **Pipeline Charges:** Any charges which MERC incurs from the pipeline on behalf of a customer shall be passed through to that customer.

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## RATE SCHEDULE SLVI-NNG

## SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

- ~~9. Firm Backup Sales Service: In order to obtain a firm backup sales service, customer must purchase a sufficient number of daily firm capacity units to cover the desired level of firm sales service. The rate for firm backup sales service will be the applicable firm sales rate, plus the appropriate monthly customer charge and appropriate daily firm capacity charge for the applicable class of sales service. A customer who takes gas in excess of the contracted amount will be subject to applicable penalties listed in Section 7, Balancing and Scheduling Charges. If a customer's transportation gas does not arrive on schedule, the customer will be shut off until the transportation gas does arrive, unless the customer has not taken more than its contracted amount of gas.~~
10. Aggregation Service: A Marketer or other third-party supplier may combine a group of transportation customers that have the same balancing provisions and are located on the same interstate pipeline system and within the same interstate pipeline operational zone. If the Marketer or other third-party supplier purchases this aggregation service, the aggregated group will be considered as one customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e. individual nominations and consumption will be summed and treated as if there were one customer. In the event that the pipeline calls a limitation day (SOL, SUL, critical day) at less than a pipeline or zone level, the Company has the right to require the aggregation provisions to occur at the same level.
- The cost of aggregation service is \$.0425 per dekatherm of gas delivered to the aggregated group.
11. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid within 17 days of the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

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## RATE SCHEDULE SLVI

## SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

12. Penalty for Unauthorized Takes When Service Is Interrupted: ~~Buyer~~ Customer shall be billed and shall pay \$~~52~~0.00 per dekatherm for unauthorized overrun gas in addition to the rates in Paragraph "3".
13. Notification: MERC will provide written notice to each customer contracting for transportation service that unless the customer buys ~~firm backup sales~~joint service from MERC is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges MERC incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 12 above, and the price for such gas.
14. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
- ~~15. Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE

1. Availability: Service under this rate schedule is available to large volume transport customers served by Viking Gas Transmission or Great Lakes Gas Transmission within two (2) miles of an alternate supply source.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at anytime upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate it has such capacity and fuel supplies. Customer must have capacity to take 1,666 dekatherm or more per day and annual consumption of .5 Bcf (500,000 dekatherm), except that, where consumption falls below this level due exclusively to efforts to conserve energy, or temporarily due to a strike or shutdown, customer is still eligible to take service under this tariff. Customer must document conservation efforts to justify consumption below .5 Bcf. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a DFC for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
4. Rate  
Customer Charge:— The customer charge shall be \$360.00 per month per meter plus a charge of \$110.00 per month for administrative costs related to transportation, \$460.00 per month per meter  
Commodity-Tariff Margin Charge:  
 All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin of \$.00~~87385~~/therm for CIP-Exempt and \$0.03~~640298~~ per therm for CIP-Applicable. Additional costs will be assigned as they are authorized by the FERC or state Commissions to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs.
5. Volume Adjustment: Rates based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average. Interim Rate Adjustment:— A 9.97% adjustment will be applied to each bill for customer and daily firm capacity charges prior to any applicable cost of gas charges and surcharges. The interim rate adjustment will be shown as a line item adjustment on the customer bill.

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

6. Special Conditions

- A. Customer must have arranged for the purchase of gas other than MERC system supply and for its delivery to MERC's system. MERC shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to MERC's system.
- B. The customer shall execute a written contract for transportation services pursuant to this rate schedule containing such terms and conditions as MERC may reasonably require.
- C. All ~~Large Volume~~ transportation customers must have MERC install telemetry equipment at the customer's expense. The telemetry equipment must be installed ~~no later than 90 days after prior to~~ the commencement of natural gas service to the customer. ~~Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherm, may request in writing a waiver of the telemetry requirements. Customers must reimburse MERC for the cost incurred by MERC to install telemetry equipment and for the cost of any other improvements made by MERC in order to provide this transportation service.~~ MERC will offer financing for periods up to 90 days interest free. MERC will offer financing with interest to a customer to pay for the installation of telemetry equipment for a period of more than 90 days but not more than 12 consecutive months on a non-regulated basis. The telemetry equipment and any other improvements made by MERC shall remain the property of MERC.
- D. MERC's sales refunds applicable to the period when gas is transported will not be made to transportation customers.
- E. The order of gas delivery for purposes of billing will be as follows:
- d. First, customer-owned firm volumes.
  - e. Second, customer-owned interruptible volumes.
  - f. Third, sales gas priced per MERC's applicable sales tariffs.
- F. Customer agrees to curtail the use of gas purchased from third party suppliers of gas when the gas purchased from the third party is not delivered to MERC's system.
- G. Customers may transfer to Transportation Service for the period November 1 through October 31 after giving MERC ninety days advance notice prior to November 1. A transportation customer must maintain transportation service for the entire November through October period. A transportation customer may not return to sales service until the next November 1st and must notify MERC in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if MERC is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

A customer may only transfer to firm sales service if MERC is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.

75. Nomination: Customers requesting volumes to flow on the first day of any month must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on their behalf. Customers requesting nomination changes on days subsequent to the first day commencing at 9:00 a.m. Central Clock time must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) on the preceding day of the volumes to be delivered on their behalf. Intraday nominations will be accepted by MERC on a best efforts basis.
86. Balancing: To assure MERC system integrity, the customer is responsible for: 1) providing nominations which accurately reflect customer's expected consumption, and 2) balancing deliveries to MERC's system with volumes consumed at the delivery points.
97. Balancing and Scheduling Charges: Failure to fulfill these responsibilities will result in the customer incurring balancing and/or scheduling charges. MERC's SLVI-Consolidated transport customers must pay for any balancing and scheduling penalties from pipelines that the customer causes MERC to incur.
108. Pipeline Charges: Any charges which MERC incurs from the pipeline on behalf of a customer shall be passed through to that customer.

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

~~9. Firm Backup Sales Service: In order to obtain a firm backup sales service, customer must purchase a sufficient number of daily firm capacity units to cover the desired level of firm sales service. The rate for firm backup sales service will be the applicable firm sales rate, plus the appropriate monthly customer charge and appropriate daily firm capacity charge for the applicable class of sales service. A customer who takes gas in excess of the contracted amount will be subject to applicable penalties listed in Section 7, Balancing and Scheduling Charges. If a customer's transportation gas does not arrive on schedule, the customer will be shut off until the transportation gas does arrive, unless the customer has not taken more than its contracted amount of gas.~~

1140. Aggregation Service: A Marketer or other third-party supplier may combine a group of transportation customers that have the same balancing provisions and are located on the same interstate pipeline system and within the same interstate pipeline operational zone. If the Marketer or other third-party supplier purchases this aggregation service, the aggregated group will be considered as one customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e. individual nominations and consumption will be summed and treated as if there were one customer. In the event that the pipeline calls a limitation day (SOL, SUL, critical day) at less than a pipeline or zone level, the Company has the right to require the aggregation provisions to occur at the same level.

The cost of aggregation service is \$.0425 per dekatherm of gas delivered to the aggregated group.

121. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid within 17 days of the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

- ~~132.~~ Penalty for Unauthorized Takes When Service Is Interrupted: Buyer shall be billed and shall pay \$~~52~~0.00 per dekatherm for unauthorized overrun gas in addition to the rates in Paragraph “3.”
- ~~143.~~ Notification: MERC will provide written notice to each customer contracting for transportation service that unless the customer buys ~~firm backup sales joint~~ service from MERC is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges MERC incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 12 above, and the price for such gas.
- ~~154.~~ General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
- ~~15.~~ Remarks: ~~Reflects interim rates at Docket No. G011/GR 15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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## FLEXIBLE RATE GAS SERVICE RIDER

1. Availability: Service under this rate schedule is available to any non-general-service customer.
2. Applicability and Character of Service:  
Service under this rate schedule is limited to customers subject to effective competition. (“Effective competition” means that a customer who either receives interruptible service or whose daily requirement exceeds 50 dekatherm maintains or plans on acquiring the capability to switch to the same, equivalent or substitutable energy supplies or service, except indigenous biomass energy supplies composed of wood products, grain, biowaste, or cellulosic materials, at comparable prices from a supplier not regulated by the Commission.)
- A customer whose only alternative source of energy is gas from a supplier not regulated by the Commission and who must use Company’s system to transport the gas is not eligible for flexible-rate service. However, customers who have or can reasonably acquire the capability to bypass Company’s system are eligible to take service under flexible tariffs.
3. Rate:  
Minimum and maximum charges are shown on Sheet 7.07, Columns I and J, for each class of customers eligible to take flexible-rate service.
- A. The Customer Charge shall be the amount in the applicable non-flexible tariff under which customer would otherwise take service.
- B. The minimum charge for daily firm capacity shall be the amount the interstate pipeline charges Company.
- C. The rate for gas delivered shall be at least \$0.0045 per therm.
- D. The minimum monthly bill shall be the sum of the Customer Charge, the daily firm capacity charge, and the ~~commodity-tariff margin~~ charge for all volumes taken subject to and computed in accordance with Part C.
- E. Rates set forth on Sheet 7.07 are base rates subject to change in accordance with the Provisions of Purchased Gas Adjustment - Uniform Clause.
4. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1,000 Btu’s. ~~Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC’s General Rules, Regulations, Terms and Conditions. Btu’s will be calculated on an arithmetic average.~~
- ~~Interim Rate Adjustment: A 9.97% adjustment will be applied to each bill for customer and daily firm capacity charges prior to any applicable cost of gas charges and surcharges. The interim rate adjustment will be shown as a line item adjustment on the customer bill.~~
- ~~General Terms and Conditions:  
All terms of the non-flexible tariff under which customer would otherwise take service apply. The General Terms and Conditions contained in the tariff book shall also apply to service taken under this rider.~~

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## FLEXIBLE RATE GAS SERVICE RIDER (Continued)

5. General Terms and Conditions:

All terms of the non-flexible tariff under which customer would otherwise take service apply. The General Terms and Conditions contained in the tariff book shall also apply to service taken under this rider.

65. Election of Service:

Service under this rider is at the option of the customer, except that, customers who use alternative energy supplies as described in the Applicability of Service Section are limited to taking service under this rider. Any customer electing service under this rider must remain on this rider for a period of at least one year.

7. Default Rate:

If a rate cannot be negotiated in a timely manner, the customer agrees to pay Company a default rate equal to the applicable upward flexible rate shown on Sheet 7.07.

~~Remarks: Reflects interim rates at Docket No. G011/GR-15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference~~

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## TRANSPORTATION FOR RESALE NORTHWEST NATURAL GAS

1. Availability: Service under this rate schedule is available to Northwest Natural Gas and other "Transportation for Resale" customers with similar cost characteristics, i.e., customers for whom the cost of providing service is approximately equal to that of Northwest Natural Gas.

2. Applicability and Character of Service: This rate schedule shall apply to transportation service provided for resale to end use customers.

The end-use customers for this service are firm customers. Customers under this rate schedule are required to secure Daily Firm Capacity at the MDQ level. If customers do not secure DFC and demonstrate firm capacity on the pipeline they may be interrupted.

3. Rate:

A. Fixed Charge: The customer charge shall be \$19085.00 per month plus a charge of \$110.00 per month for administrative costs related to transportation.

B. Tariff Margin Charge: All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin of \$0.07428 per therm. Additional costs will be assigned as they are authorized by the FERC or state Commissions to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs.

A. Daily Firm Capacity: The rate shall be \$0.1022608117 per dekatherm, which includes the DFC rate of \$0.0100009786200 per therm for Company distribution system capacity shall be \$.72.

~~Interim rate adjustment: A customer charge interim rate adjustment will be calculated by multiplying the current customer charge by 9.97%. A transportation charge interim rate adjustment will be calculated by multiplying the transportation charge by 9.97%. The combined effect of these interim rate adjustments will be shown as a line item adjustment on the customer bill.~~

The customer is responsible for purchasing interstate pipeline capacity from a third party non-regulated supplier (as demonstrated by providing Company with an Joint Certification signed by the customer and the third party supplier), its own entitlement units, e.g., Daily Firm Capacity, etc. The customer is also responsible for overrun penalties, balancing charges and any out of balance penalties incurred from its transportation of gas by its pipeline suppliers.

4. Payment: The bill is due seventeen days after issuance. There shall be a late payment charge of one and one-half percent (1.5%) per month on the unpaid balance.

5. Volume Adjustment:

Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

6. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

~~7. Remarks: Reflects interim rates at Docket No. G011/GR 15-736. If the total amount of the rate increase approved at the end of the Company's rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the total amount of final rates is higher than the total amount of interim rates, the Company will not charge customers for the difference.~~

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## PENALTY FOR UNAUTHORIZED TAKES WHEN SERVICE IS INTERRUPTED

1. Northern Natural Gas Penalty: Should Northern Natural Gas Company call a Critical Day, the penalty for unauthorized takes will be a charge equal to the daily delivery variance charge of the pipeline. Currently, this charge is \$113 per dekatherm and is equal to twice the reservation charge to reserve one (1) MMBTU of capacity under the current Northern Natural Gas Rate Schedule TFX.
2. Viking Gas Transmission Company: Not applicable.
3. Great Lakes Transmission: Not applicable.

NOTE: This tariff will be amended when changes in pipeline tariffs occur.

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## PURCHASED GAS ADJUSTMENT - UNIFORM CLAUSE

1. Rates Subject to the Purchased Gas Adjustment (PGA) Clause: All gas utility rate schedules shall be subject to a gas cost adjustment as defined in 2. and 3. below. Since the Company purchases gas from different supply sources, the Company will determine the delivered cost of gas purchased by Supplier and implement any change in the billing rate which exceeds .3 cents per therm. The Company will also update its PGA every three months since the last change, which exceeded .3 cents per therm.

2. Determination of Purchased Gas Adjustment Amount: For purpose of computing the Purchased Gas Adjustment, the following formula will be used:

$$\frac{PD}{V} + WACOG + \frac{A}{V^1} - B = \text{Gas Cost Adjustment}$$

Where:

PD = Demand Cost: (1) The cost of purchased gas to be sold calculated by multiplying the current cost of purchased gas from each supplier times the last authorized demand volumes approved by the Commission and (2) The costs of firm transportation are calculated by multiplying the current cost from each supplier times the last demand volumes approved by the Commission.

WACOG = Projected weighted average cost of gas: The cost of purchased gas to be sold calculated by multiplying the estimated cost per dekatherm, therm or Btu by supplier (including transportation commodity costs) times the estimated purchase volumes by supplier for the upcoming month.

A = The current balance of unrecovered or over-recovered purchased gas costs. This is calculated once a year and filed each September 1 as explained in 5. on Sheet No. 7.01.

V = The sales volume for the forthcoming twelve month period ending August 31. The annual volumes shall:

- A. Be adjusted to reflect normal temperatures.
- B. Be for the most recent twelve months of the fourteen months immediately preceding the effective date of any demand increase or decrease.
- C. Once normalized, be further adjusted by an average percentage change in normalized sales computed over the preceding three year period.
- D. Also change in accordance with Minnesota Rules 7825.2390 - 7825.3000.

V<sup>1</sup> = Projected 12 months sales volumes.

B = Actual purchased gas cost embedded in the gas utility filed rate schedules based on purchase and sales volumes established during the base period including all adjustments approved by the Commission.

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## PURCHASED GAS ADJUSTMENT – UNIFORM CLAUSE (Continued)

3. Application of Calculation

The formula  $\frac{PD}{V} + \frac{WACOG}{V} + \frac{A}{V} - B$  identified previously will be calculated separately for each supplier and/or supply zone (where separate rate schedules are maintained), if appropriate by class of service for interruptible, firm and general service sales. Demand charges will be assigned on a unit basis to applicable customers.

4. Cost Included in the Purchased Gas Adjustment: The cost of gas included in the computation shall consist of all costs properly included in FERC Accounts 800 through 812, transportation charges and all other charges incurred to obtain gas supplies.5. Frequency of Change: The underrecovery/overrecovery balance adjustments under this provision shall be computed and filed by September 1 of each year.

Accounting Requirement: Subsequent to the effective date of this clause, the Company shall maintain a continuing monthly comparison of the actual cost of gas as shown on the books and records of the Company, exclusive of refunds, and the cost recovery for the same month calculated by multiplying the volumes sold during said month by the currently effective rate for purchased gas. The difference in the actual cost of gas and the cost recovery represents the over/under recovery for the month. The total differences for the twelve-month period ending August 31 represent the balance of underrecovered or overrecovered purchased gas cost for the period. The balance for the period, plus the balance at the beginning of the period, and any adjustments represent the current balance in the Account (“A” in the formula above).

Costs included in the Purchased Gas Adjustment will be offset by the revenues collected from Company’s Small Volume Balancing Service on a yearly basis in the annual Reconciliation Adjustment.

The Company shall maintain an over/under account for each supply zone for the under-recovered or over-recovered purchased gas costs on a monthly basis.

6. Treatment of Refund: Refunds and interest thereon received from the suppliers of purchased gas that are attributable to the cost of gas previously sold will be refunded by credits to bills or by checks within a period not to exceed 90 days from the date the refund is received from a supplier, provided the refund amount per customer is equal to or greater than five dollars. The utility shall include the unrefunded balance as an adjustment to the balance of under recovered or over recovered purchased gas cost for the period as explained in the Accounting Requirements above.7. Information to be Filed with the Commission: Each Purchased Gas Adjustment will be accomplished by filing an application and will be accompanied by such supporting data and information as the Commission may require.

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## CONSERVATION COST RECOVERY CHARGE AND ADJUSTMENT

1. Applicability of Conservation Cost Recovery Charge and Adjustment:

“Large Energy Facility”, as defined in Minn. Stat. 216B.2421 customers shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the “Large Energy Facility” customers can no longer participate in any utility’s Energy Conservation Improvement Program.

“Large Customer Facility” customers that have been exempted from the Company’s Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, Subd. 1a (b) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the “Large Customer Facility” customers can no longer participate in the Company’s Energy Conservation Improvement Program.

“Commercial Gas Customers” that have been exempted from the Company’s Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, Subd. 1a (c) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the “Commercial Gas Customers” can no longer participate in the Company’s Energy Conservation Improvement Program. The Company has fewer than 600,000 natural gas customers in Minnesota, thus making the Company subject to this Minnesota Statute.

2. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC in the Company’s rate case. The CCRC factor is approved and applied on a per therm basis by dividing the test-year CIP expenses by the test-year sales volumes (net of CIP-exempt volumes) The CCRC for each rate schedule is:

All Classes MERC	\$0.02767/therm*
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3. Adjustment: There shall be included on each customer’s monthly bill a CCRA factor multiplied by the customer’s monthly billing therms for gas service before any applicable adjustments, city surcharge, or sales tax.

4. Determination of Conservation Cost Recovery Adjustment Factor (CCRA): The CCRA is calculated for each customer class by dividing the recoverable CIP costs by the projected sales volumes for a designated recovery period, excluding the sales volumes of CIP-exempt customers. The factor may be adjusted annually with approval of the Minnesota Public Utilities Commission. The CCRA for each rate schedule is:

\*\* Proposed for approval effective with interim final rates in Docket No. G011/GR-15-736.

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## CONSERVATION COST RECOVERY CHARGE AND ADJUSTMENT

All Classes MERC

\$0.00~~750865~~\*\*Approved effective January 1, 201~~7~~6 in Docket No. G011/M-~~15-42016-385~~

5. Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes section 216B.241, the CCRC and CCRA shall not apply. Those customer accounts determined by the Commission to qualify as a Large Energy Facility Customers, shall receive a monthly exemption from conservation program charges pursuant to Minn. Stat. § 216B.16, subd. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the Large Energy Facility customers can no longer participate in any utility's energy Conservation Improvement Program.

Under Minn. Stat. 216B.241, any customer account determined by the Commission of the Minnesota Department of Commerce to qualify as a large customer facility shall be exempt from CIP investment and expenditure requirements with respect to retail revenues attributable to the large customer facility. Customer accounts granted exemption by a decision of the Commissioner after the beginning of the calendar year shall be credited for any CIP collections billed after January first of the year following the Commissioner's decision. Upon exemption from the conservation program charges, no exempt customer facility may participate in a utility conservation improvement program unless the owner of the facility submits a filing with the Commissioner to withdraw its exemption.

Under Minn. Stat. 216B.241, any customer account that is not a large customer facility and that purchases or acquires natural gas from a public utility having fewer than 600,000 natural gas customers in Minnesota shall, upon a determination by the Commissioner of the Department of Commerce as qualifying for an opt out of the Conservation Improvement Program, be exempt from CIP investment and expenditure requirements with respect to retail revenues attributable to the commercial gas customers. Customer accounts granted exemption by a decision of the Commissioner after the beginning of the calendar year shall be credited for any CIP collections billed after January first of the year following the Commissioner's decision. Upon exemption from conservation program charges, the customers can no longer participate in any utility's energy Conservation Improvement Program unless the customer submits a filing with the Commissioner to withdraw its exemption.

6. Accounting Requirements: The Company is required to record all costs associated with the conservation program in a CIP Tracker Account. All revenues recovered through the CCRA are booked to the Tracker as an offset to expenses.

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**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-NNG**

**MINNESOTA PUBLIC UTILITIES COMMISSION**  
**125th Revised Sheet No. 7.03**  
**Superceding 124th Revised Sheet No. 7.03**

RETAIL GAS COST ADJUSTMENT PURSUANT TO  
PURCHASE GAS ADJUSTMENT - UNIFORM CLAUSE

Effective **01-Dec-16** the charges for each monthly bill under schedules listed below shall be increased or decreased by adding to each rate block amounts per term detailed below as provided for in the Purchase Gas Adjustment - Uniform Clause as on file with the Minnesota Public Service Commission.

**MERC-NNG**

<b>NORTHERN NATURAL GAS</b>	Prior Cumulative Adjustments	Change Filed Herein	ACA Adjustment	CCRA Factors	Current Adjustment
<u>MDOC Rate Schedule</u>					
<u>General Service</u>					
GS-NNG	(\$0.12442)	\$0.02917	\$0.00301		(\$0.09224)
<u>Small Volume Interruptible</u>					
SVI-NNG	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Large Volume Interruptible</u>					
LVI-NNG	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Small Joint Firm/Interruptible Service</u>					
SVJ-NNG Demand	\$0.00948	\$0.00000	\$0.00000		\$0.00948
Commodity	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Large Joint Firm/Interruptible Service</u>					
LVJ-NNG Daily Firm Capacity	\$0.00948	\$0.00000	\$0.00000		\$0.00948
Commodity	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Super Large Volume</u>					
SLVI-NNG Daily Firm Capacity	\$0.00948	\$0.00000	\$0.00000		\$0.00948
Commodity	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)

Issued By: **T. T. Eidukas**  
**Vice-President**

Effective Date: **01-Dec-16**

Submittal Date: **29-Nov-16**

MNM0701T

RETAIL GAS COST ADJUSTMENT PURSUANT TO  
PURCHASE GAS ADJUSTMENT - UNIFORM CLAUSE

Effective 1-Dec-16 the charges for each monthly bill under schedules listed below shall be increased or decreased by adding to each rate block amounts per term detailed below as for in the Purchase Gas Adjustment - Uniform Clause as on file with the Minnesota Public Service Commission.

**MERC-Con**

Consolidated		Prior Cumulative Adjustments	Change Filed Herein	ACA Adjustment	Current Adjustment
<u>MDOC Rate Schedule</u>					
<u>General Service</u>					
GS - Con		-0.09129	0.01181	-0.00355	-0.08303
<u>Small Volume Interruptible</u>					
SVI - Con		-0.08388	0.01181	-0.01300	-0.08507
<u>Large Volume Interruptible</u>					
LVI - Con		-0.08388	0.01181	-0.01300	-0.08507
<u>Small Joint Firm/Interruptible Service</u>					
SVJ - Con	Daily Firm Capacity	-0.08628	0.00000	0.00029	-0.08599
	Commodity	-0.08388	0.01181	-0.01300	-0.08507
<u>Large Joint Firm/Interruptible Service</u>					
LVJ - Con	Daily Firm Capacity	-0.08628	0.00000	0.00029	-0.08599
	Commodity	-0.08388	0.01181	-0.01300	-0.08507

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-Albert Lea (AL)**

**MINNESOTA PUBLIC UTILITIES COMMISSION**  
**19th Revised Sheet No. 7.05**  
**Superceding 18th Revised Sheet No. 7.05**

RETAIL GAS COST ADJUSTMENT PURSUANT TO  
PURCHASE GAS ADJUSTMENT - UNIFORM CLAUSE

Effective 01-Dec-16 the charges for each monthly bill under schedules listed below shall be increased or decreased by adding to each rate block amounts per term detailed below as provided for in the Purchase Gas Adjustment - Uniform Clause as on file with the Minnesota Public Service Commission.

**MERC-Albert Lea (AL)**

**Northern Natural Gas**

<u>MDOC Rate Schedule</u>	<u>Prior Cumulative Adjustments</u>	<u>Change Filed Herein</u>	<u>ACA Adjustment</u>	<u>CCRA Factors</u>	<u>Current Adjustment</u>
<u>General Service</u>					
GS-AL	(\$0.05778)	\$0.02471	\$0.01256		(\$0.02051)
<u>Small Volume Interruptible</u>					
SVI-AL	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293
<u>Large Volume Interruptible</u>					
LVI-AL	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293
<u>Small Volume Joint Firm Interruptible Service</u>					
SVJ-AL Daily Firm Capacity	\$0.00000	\$0.00000	\$0.00000		\$0.00000
Commodity	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293
<u>Large Volume Joint Firm Interruptible Service</u>					
LVJ-AL Daily Firm Capacity	\$0.00000	\$0.00000	\$0.00000		\$0.00000
Commodity	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293

Issued By **T. T. Eidukas**  
**Vice-President**

Effective Date: **01-Dec-16**

Submittal **29-Nov-16**

MNM1216



**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-NNG**  
**MERC-Consolidated**  
**MERC-Albert Lea**

MINNESOTA PUBLIC UTILITIES COMMISSION  
 ###th Revised Sheet No. 7.07  
 Superceding ###th Revised Sheet No. 7.07

As proposed in Docket No. G011/MR-15-748										
Per Therm										
Rates Subject to Fuel Adjustment Clause										
(A)	(B)	(C)	(D)	(A+B+C)	(D+E)	(G)	(D-G+D)	(E+G)	(E+H)	
Base Gas Cost**	PGA Adjustment	Annual ACA Adjustment	Tariff Margin	Total Tariff Rate w/o Margin	Total Tariff Rate	Minimum Flex Margin	Maximum Flex Margin	Minimum Total Flex Tariff	Maximum Total Flex Tariff	
<u>Small Volume Interruptible</u>										
SVI-NNG	0.32661	0.00000	0.00000	0.09740	0.32661	0.42401	0.00450	0.19030	0.33111	0.51691
SVI-Consolidated	0.26791	0.00000	0.00000	0.09740	0.26791	0.36531	0.00450	0.19030	0.27241	0.45821
SVI-Albert Lea	0.25975	0.00000	0.00000	0.09740	0.25975	0.35715				
<u>Large Volume Interruptible</u>										
LVI-NNG	0.32661	0.00000	0.00000	0.05329	0.32661	0.37990	0.00450	0.10208	0.33111	0.42869
LVI-Consolidated	0.26791	0.00000	0.00000	0.05329	0.26791	0.32120	0.00450	0.10208	0.27241	0.36999
LVI-Albert Lea	0.25975	0.00000	0.00000	0.05329	0.25975	0.31304				
<u>Daily Firm Capacity-Small Volume</u>										
SVJ-NNG*	0.09226	0.00000	0.00000	0.01000	0.09226	0.10226	0.00000	0.02000	0.09226	0.11226
SVJ-Consolidated	0.07996	0.00000	0.00000	0.01000	0.07996	0.08996	0.00000	0.02000	0.07996	0.09996
SVJ-Albert Lea	0.10379	0.00000	0.00000	0.01000	0.10379	0.11379				
<u>Daily Firm Capacity-Large Volume</u>										
LVJ-NNG*	0.09226	0.00000	0.00000	0.01000	0.09226	0.10226	0.00000	0.02000	0.09226	0.11226
LVJ-Consolidated	0.07996	0.00000	0.00000	0.01000	0.07996	0.08996	0.00000	0.02000	0.07996	0.09996
LVJ-Albert Lea	0.10379	0.00000	0.00000	0.01000	0.10379	0.11379				
<u>Super Large Volume</u>										
S-LV-NNG-Commodity	0.32661	0.00000	0.00000	0.03215	0.32661	0.35876	0.00450	0.05980	0.33111	0.38641
S-LV-NNG-Daily Firm Capacity*	0.09226	0.00000	0.00000	0.00207	0.09226	0.09433	0.00000	0.00413	0.09226	0.09639

\*If customer prefers to be a Transportation only customer, the Base Gas Cost Component of Firm Transportation is the NNG TF12 Base

\*\*Base Gas Cost as approved in Docket No. G011/MR-15-748 for NNG , NNG AL, & Consolidated PGA systems.

Issued by: T. T. Eidukas  
 Vice-President  
 Submitted Date: November 30, 2016

Effective Date: February 1, 2017

MNM1116

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-NNG**

**MINNESOTA PUBLIC UTILITIES COMMISSION**

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FIRM TRANSPORTATION SERVICE - TF

Firm Transportation is available to any customer served under a MERC NNG tariff designation.  
 The charges for TF-12, TF5, and TFX are set forth below:

	<u>Class</u>	<u>Reservation Fee</u>	<u>Distribution Charge</u>	<u>Total Charge</u>
		\$/therm	\$/therm	\$/therm
TF-12	SV	\$1.51801 [1]	\$0.25000	\$1.76801
TF-5	SV	\$1.66951 [1]	\$0.25000	\$1.91951
TFX	SV	\$2.27555 [1]	\$0.25000	\$2.52555
TF-12	LV	\$1.51801 [1]	\$0.25000	\$1.76801
TF-5	LV	\$1.66951 [1]	\$0.25000	\$1.91951
TFX	LV	\$2.27555 [1]	\$0.25000	\$2.52555
TF-12	SLV	\$1.51801 [1]	\$0.06200	\$1.58001
TF-5	SLV	\$1.66951 [1]	\$0.06200	\$1.73151
TFX	SLV	\$2.27555 [1]	\$0.06200	\$2.33755

[1] Per Northern Natural Gas Company's FERC Gas Tariff, Sheet Nos. 50, & 51.

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Issuing Officer: T. T. Eidukas Vice-President	Effective: <b>01-Jan-10</b>
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Submission Date to Department Public Service	01-Dec-16	MNM1216
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## GAS AFFORDABILITY SERVICE PROGRAM (“PROGRAM”)

1. Availability:

Available to residential customers in the MERC Minnesota service area who have been qualified and receive assistance from the Low Income Home Energy Assistance Program (“LIHEAP”) during the federal fiscal year (“Program Year”).

2. Program Description and Rate Impact for Qualifying Customers:

This Program shall meet the conditions of Minnesota Statutes, Chapter 216B.16, Subd. 15 on low income programs. The Program has two components: 1) Affordability, and 2) Arrearage Forgiveness. MERC or an agent of MERC, will review current billing and consumption information, approved LIHEAP benefits and household income information as submitted to MERC to determine a Qualified Customer’s affordability bill credit and arrearage forgiveness. A Qualified Customer’s payment each month shall include both payment of the customer’s current month’s bill after inclusion of the affordability bill credit, and payment of a portion of the Qualified Customer’s pre-program arrears.

2.1. *Affordability Component:*

The Affordability component consists of a bill credit determined as one-twelfth of the difference between MERC’s estimate of the Qualified Customer’s annual gas bill and 6% of the Qualified Customer’s household income as provided by the Qualified Customer to MERC. This bill credit is a Program cost that will be included in the Tracker. Any energy assistance sums not applied to arrears will be applied to a Qualified Customer’s current bill.

2.2. *Arrearage Forgiveness Component:*

The Arrearage Forgiveness component consists of a monthly credit that will be applied each month after receipt of the Qualified Customer’s payment. The credit will be designed to retire pre-program arrears over a period of up to 24 months, with the Company matching the Qualifying Customer’s contribution to retiring pre-program arrears. The credit is determined by taking the pre-program arrears divided by the number of months to retire the arrears divided by two and then subtracting any energy assistance sums received by the Company on behalf of the customer divided by the number of months remaining to retire the arrears divided by two. This arrearage forgiveness credit is a Program cost that will be included in the Tracker.

Issued By: Theodore Eidukas ~~DM Derrieks~~  
~~-Vice President~~-Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016

\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017

## GAS AFFORDABILITY SERVICE PROGRAM ("PROGRAM")(Continued)

3. Conditions of Service:

- 3.1. Enrollment participation is limited to a first come first served basis until the estimated Program dollar cap is reached.
- 3.2. Before the start of an enrollment period, MERC will mail information on the Program and an application to participate in the Program to targeted current LIHEAP customers in arrears. The application for participation must be completed in full and returned to MERC before the close of the enrollment period.
- 3.3. Regardless of arrears balances, MERC agrees to maintain service and suspend collection activities to Qualified Customers if they maintain their payment schedule.
- 3.4. Qualified Customers must maintain an active MERC account in said customer's name at their permanent primary residence only to be eligible for this Program.
- 3.5. Qualified Customers agree to notify MERC of any changes in address, income level, or household size. Such changes may result in removal from the Program. Additionally, Qualified Customers who do not continue to qualify under the provisions of Section 1 above can be removed from the Program.
- 3.6. If a Qualified Customer fails to pay two consecutive monthly payments in full under the Program, they will be terminated from the Program and will be subject to MERC's regular collection practices including the possibility of disconnection.

4. Funding:

- .1. Total Program costs, which include start-up costs, Affordability component, Arrearage Forgiveness component and incremental administration costs incurred collectively by MERC shall not exceed \$750,000 per year plus the estimated tracker balance as of December 31, 2011. MERC shall limit administrative costs included in the Tracker (except start-up related costs) to 5% of total Program costs. Administrative costs will include, but are not limited to, the costs to inform customers of the Program and costs to process and implement enrollments.
- 4.2. MERC shall recover Program costs in the Delivery Charge applicable to all firm service customers receiving service under Rate Schedules GS-NNG General Service, GS-Albert Lea General Service, and GS-Consolidated General Service.
- 4.3. A tracking mechanism ("Tracker") will be established to provide for recovery of actual Program costs as compared to the recovery of Program costs through rates. MERC will track and defer Program costs with regulatory approval. The prudence of the Program costs are subject to regulatory review.

Issued By: ~~Theodore Eidukas~~ ~~DM Derrieks~~  
-Vice President-Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016

\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
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## GAS AFFORDABILITY SERVICE PROGRAM ("PROGRAM")(Continued)

- 4.4. Program costs shall be recovered in the applicable Delivery Charge for all firm service customers receiving service under Rate Schedules GS-NNG General Service, GS-Albert Lea General Service, and GS-Consolidated General Service. Effective October 1, 2015, the surcharge shall be \$0.0000 per therm. MERC may petition the Commission to adjust this rate in order to true-up the Program balance in the Tracker either in a general rate case or at the end of the initial four-year term of the Program.
5. Evaluation:
- 5.1. The Program shall be evaluated before the end of the four year term and may be modified based on annual reports and on a financial evaluation.
- 5.2. The annual reports will include the effect of the Program on customer payment frequency, payment amount, arrearage level and number of customers in arrears, service disconnections, retention rates, customer complaints and utility customer collection activity. The annual reports may also include information about customer satisfaction with the Program.
- 5.3. The financial evaluation will include a discounted cash flow of the Program's cost-effectiveness analysis from a ratepayer perspective comparing the 1) total Program costs, which includes the Affordability component, Arrearage Forgiveness component and total company incurred administration costs, to 2) the total net savings including cost reductions on utility functions such as the impact of the Program on write-offs, service disconnections and reconnections and collections activities. The discounted cash flow difference between total Program costs and total net savings will result in either a net benefit or a net cost to ratepayers for the Program.
6. Program Revocation:
- The Program, upon approval by the Commission, is effective unless the Commission, after notice and hearing, rescinds or amends its order approving the Program.
7. Term:
- The Program is approved through December 31, 2019, with annual reports to be filed by March 31 each year and a program evaluation to be filed by May 31, 2019.
8. Applicability:
- Unless otherwise specified in this tariff, Qualified Customers in the Program shall receive service in accordance with all terms and conditions of the standard gas service tariffs applicable to residential customers.

Issued By: Theodore Eidukas, ~~DM Derrieks~~  
~~-Vice President~~, Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016  
\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
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CANCELED

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~~-Vice President~~ Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016  
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\*Effective Date: February 1, 2017  
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CANCELED

Issued By: Theodore Eidukas ~~DM Derrieks~~  
~~-Vice President~~ Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016  
\*Effective with bills issued on and after this date.

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CANCELED

Issued By: Theodore Eidukas ~~DM Derrieks~~  
~~-Vice President~~ Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016  
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CANCELED

Issued By: Theodore Eidukas ~~DM Derrieks~~  
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<u>CANCELED</u>
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~~-Vice President~~ Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~ November 30, 2016  
\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017

## REVENUE DECOUPLING MECHANISM ("RDM")

## 1. Purpose

The purpose of the Revenue Decoupling Mechanism (RDM) is to: (a) reduce the financial disincentive for the Minnesota Energy Resources Corporation (Company) to promote energy efficiency and conservation and (b) promote distribution revenue symmetry by breaking the link between sales volumes and distribution revenues.

## 2. Applicability

The RDM shall apply to all customers served under the Small Volume General Service rate schedules, specifically all Residential and Small Commercial & Industrial customers.

## 3. Definitions

As used in the RDM, the terms below are defined to mean:

Actual Margin (AM) shall mean that dollar amount of distribution revenues, excluding revenues arising from the CCRC and adjustments under the RDM, which were billed for each applicable Rate Schedule Group in the Calendar Year.

Actual Customers (AC) shall mean the number of customers in each applicable Rate Schedule Group in the Calendar Year.

Billing Period shall mean the 12-month period beginning March 1 succeeding the Calendar Year for which the RDM is billed.

Conservation Cost Recovery Charge (CCRC) shall mean the Conservation Cost Recovery Charge imbedded in base volumetric distribution rates.

Factor V (V) shall mean the sales volumes, in therms, projected to be delivered by the Company to customers in each applicable Rate Schedule Group for the Billing Period.

Calendar Year shall mean the Calendar Year that ended as of the most recent December 31.

Rate Case Customers (RCC) shall mean the number of customers that underlie the distribution rates approved by the Commission in the Company's most recent rate proceeding for each applicable Rate Schedule Group.

Rate Case Margin (RCM) shall mean the dollar amount of distribution revenues arising from the test year sales volumes and distribution charges approved by the Commission in the Company's most recent rate proceeding for each applicable Rate Schedule Group, less any revenues arising from the CCRC.

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~~-Vice President~~-Regulatory Affairs

Submittal Date: ~~September 30, 2015~~ November 30, 2016

\*Effective with bills issued on and after this date.

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Proposed Effective Date: February 1, 2017

## REVENUE DECOUPLING MECHANISM (“RDM”)(Continued)

Rate Schedule Group shall mean the rate schedule group approved by the Commission in Docket No. ~~G007,011/GR-10-977~~G011/GR-15-736 for the purposes of determining a RDM adjustment.

Reconciliation Adjustment (RA) shall mean dollar amounts due the Company (+RA) or the customers (-RA) arising from RDM adjustments that were under-billed or over-billed to each Rate Schedule Group in the ~~Calendar Year~~Billing Period.

## 4. Determination of Adjustment

There shall be a separate per therm adjustment amount determined under the RDM for each applicable Rate Schedule Group and such amount shall be determined as follows:

$$\frac{[(RCM / RCC) - (AM / AC)] \times RCC + RA}{V}$$

Where:

RCM = Rate Case Margin for the Calendar Year.

RCC = Rate Case Customers for the Calendar Year.

AM = Actual Margin for the Calendar Year.

AC = Number of Actual Customers for the Calendar Year.

V = Factor V for the Billing Period.

RA = Reconciliation Adjustment as defined in Section 3.

## 5. Symmetrical Cap

A symmetrical cap of ten percent of non-gas margin rates, excluding CCRC rates, will be imposed on the calculation of the RDM. The cap limits the amount the Company can collect or credit via the RDM to ten percent of distribution revenues.

## 6. Minnesota Public Utilities Commission (Commission) Authority

If warranted by unforeseen circumstances, the Commission has the authority to modify or suspend the rates set via the RDM calculation during the pilot program.

Issued By: ~~Theodore Eidukas~~ DM Derrieks  
-~~Vice President~~-Regulatory Affairs

Submittal Date: ~~September 30, 2015~~ November 30, 2016

\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017

## REVENUE DECOUPLING MECHANISM ("RDM")(Continued)

## 7. Reports

No later than ~~March 31 of the calendar year following the Commission's approval for the RDM, and then no later than March~~ March-1 of each ~~succeeding~~ year until the RDM terminates, the Company shall file annually with the Commission a ~~report that specifies the calculation of the~~ report that specifies the calculation of the RDM adjustments, ~~as well as any applicable reconciliation adjustment calculations,~~ as well as any applicable reconciliation adjustment calculations, to be effective for each Rate Schedule Group for the Billing Period. Adjustments shall be effective with bills rendered on or after March 1 of the Billing Period and shall continue for 12 months.

~~No later than May 1 each year, the Company shall file annually with the Commission a Decoupling Evaluation Report for the preceding Calendar Year, with information required by the Commission in Docket Nos. G007,011/GR-10-977 and G011/GR-15-736. The initial report shall reflect a Calendar Year that begins on the first day of the month succeeding the implementation of final rates approved by the Commission in Docket No. G007,011/GR-10-977 until December 31 of that year, and then for a full Calendar year for each succeeding year. The report shall include work papers and data supporting the calculations in Section 4 of the RDM. Adjustments shall be effective with bills rendered on or after March 1 of the Billing Period and shall continue for 12 months. The Company shall also file an annual evaluation plan with information required by the Commission in Docket No. G007,011/GR-10-977 no later than May 1 each year.~~

In the event any portions of the proposed RDM adjustments are modified by the Commission, the adjustments shall be adjusted in accordance with the Commission's Order.

The Company shall record ~~in~~ its best estimate of the amounts to be recognized under the RDM so as to reflect in its books and records a fair representation of the impact of the RDM in actual earnings. Such estimates shall be adjusted if necessary, upon filing RDM calculations with the Commission and again upon final Commission approval.

## 8. Pilot Period

~~RDM adjustments shall be determined for three Calendar Years and for any partial Calendar Year in which the RDM becomes effective. Pursuant to the Commission's Order in Docket No. G011/GR-15-736, the pilot revenue decoupling program is extended through 2019, with RDM adjustments effective through February 2021.~~ The Company may request approval from the Commission to extend the RDM beyond the pilot period.



Issued By: Theodore Eidukas ~~DM Derrieks~~  
~~-Vice President~~ Regulatory Affairs

Submittal Date: ~~September 30, 2015~~ November 30, 2016

\*Effective with bills issued on and after this date.

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Proposed Effective Date: February 1, 2017

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS:A. Company:

The term “Company” is herein used to designate Minnesota Energy Resources Corporation, or MERC, which furnishes natural gas service under these general rules, regulations, terms and conditions.

B. Commission:

The term “Commission” is herein used to designate the Public Utilities Commission of the State of Minnesota.

C. Customer:

The term “customer” is herein used to designate a person, partnership, association, firm, public or private corporation or governmental agency using gas service supplied by Company subject to the jurisdiction of the Commission.

D. Town Plant:

The term “town plant” refers to the piped distribution system of a city, town, community, village, area, section or region, either incorporated or unincorporated, together with any suburban or contiguous area supplied with gas through a town border station. Town plant service is not limited to the geographical boundaries of the franchise.

E. Town Border Station:

The terms “town border station” and/or “City Gate Station” refer to the site where the gas changes ownership and where Company’s supplier measures and makes delivery of gas to Company. Such site is usually shared by supplier and Company. It is frequently located at the edge of a town and may be the site of check meters, regulators, odorization equipment and other appropriate appurtenances.

F. Types of Customers:1. Residential:

Customers taking natural gas for residential use (space heating, cooling, water heating, clothes drying, etc.) through an individual meter in a single family dwelling or building, or for residential use in an individual flat or apartment, or in a mobile home, or for residential use in not over four households served by a

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Vice President-Regulatory Affairs

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Proposed Effective Date: February 1, 2017

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS: (Continued)F. Type of Customers (Continued)1. Residential (Continued)

single meter in a multiple family dwelling. Residential premises used regularly for professional or business purposes (doctor's office, small store, etc.) are considered as residential where the residential natural gas usage is half or more of the total gas usage.

2. Commercial:

Customers primarily engaged in wholesale or retail trade, agriculture, forestry, fisheries, transportation, communication, sanitary services, finance, insurance, real estate, personal services (clubs, hotels, rooming houses, five or more households served under a single meter, auto repair, etc.) government and customers whose usage does not directly qualify under one of the other classifications of service. The size of the customer or volume of natural gas used is not a criterion for determining commercial designation. The nature of the customer's primary business or economic activity at the location served determines the customer classification.

3. Industrial:

Customers engaged primarily in a process which creates or changes raw or unfinished materials to another form or product. The size of the customer or volume of use is not a criterion for determining industrial designation. The nature of the customer's primary business or economic activity at the location served determines the customer classification.

4. Joint Rate Service:

Customers taking natural gas service consisting of a base of firm gas volumes supplemented by interruptible gas volumes.

5. Interruptible Service:

Customers taking natural gas service which may be interrupted, curtailed or discontinued at any time at the option of the Company in accordance with the provision of Article 16 hereof.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS: (Continued)F. Types of Customers (Continued)6. Small Volume:

Customers whose maximum daily requirements, both Firm and Interruptible, are less than 200 dekatherms.

7. Large Volume:

Customers whose maximum daily requirements, both Firm and Interruptible, equal or exceed 200 dekatherms.

8. General Service:

The term “general service” customer is herein used to designate a person, partnership, association, firm public or private corporation who meets the requirements for gas service as specified in the Company’s general service rate schedules on file with the Minnesota Public Utilities Commission.

9. Transportation Service:

Any individually metered (except in cases including a single location with multiple tenants) commercial or industrial end user who has contracted for an alternate or supplemental source of gas supply and has requested Company to transport such alternate or supplemental gas for customer’s account.

10. Human Needs Customer:

Any customer including, but not limited to, a school, church, hospital, day care facility, nursing home, or other facility which must maintain its energy service in order to protect the health and welfare of its inhabitants.

11. Marketer:

An entity which represents an end-use customer. A marketer will be considered the end-use customer for purpose of the Aggregation Service.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS (Continued)F. Types of Customers (Continued)12. Firm Service:

Service supplied to customers under schedules or contracts which are not normally subject to curtailment or interruption except under occasional, extraordinary circumstances.

G. Distribution Mains:

That portion of the gas distribution system transporting natural gas from the city gate or town border station to the customer's service line.

H. Service Line:

The pipe that transports natural gas from the main to a customer's meter or the connection to a customer's fuel line, whichever is farther downstream.

I. Point of Delivery:

The point of delivery and the point where Company ownership and maintenance of service pipe ends, shall be at the outlet side of the Company's meter, unless otherwise defined in writing between Company and customer. All yard lines, interior piping, valves, fittings and appliances downstream from this point shall be furnished and maintained by the customer and are subject to the inspection and approval of the Company and other authorities which have jurisdiction.

J. Fuel Line:

All piping, valves and fittings downstream from the point of delivery at the meter to the inlet of the customer's appliance.

K. Abbreviations:

Btu - British Thermal Unit  
 psig - Pounds Per Square Inch Gauge  
 psia - Pounds Per Square Inch Absolute  
 W.C. - Water Column  
 Cfh - Cubic Feet Per Hour  
 °F - Degree Fahrenheit

L. Disconnection of Service:

"Disconnection of Service" means an involuntary cessation of utility service to a customer or disconnection at the request of the customer as provided at subsection 9 A 9 of these rules.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS (Continued)M. Temporary Disconnection:

“Temporary Disconnection” means a voluntary cessation of utility service and applied specifically to subsection 9. A. 9(b) of these rules. This is not a permanent termination of service.

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 Company.

O. Daily Firm Capacity (DFC):

This is the amount of capacity the customer must purchase on a daily basis on both the interstate pipeline and the distribution system in order to receive Firm service. This term replaces the term “daily contract demand”. ~~All DFC quantities will be considered as being first through the customer’s meter. The daily firm capacity is calculated by taking the MDQ times the Daily Firm Capacity charge per therm.~~

P. Critical Day:

A “critical day” when called by the pipeline has the meaning set forth in the interstate pipeline’s tariff, and when called by the Company, is defined as any day during which in the sole judgment of the Company service is limited due to capacity constraints, operational problems or any other cause. Service limitations include, but are not limited to curtailment or interruption. A critical day may be declared with respect to any one or more delivery and/or receipt points.

Q. Operational Flow Order:

An “operational flow order” when called by the interstate pipeline has the meaning set forth in the interstate pipeline’s tariff, and when called by the Company, is defined as a notice issued by the Company to customer(s) requiring the delivery of specified quantities of gas to Company for the account of customer at times deemed necessary by the Company to maintain system integrity and to assure continued service. An operational flow order may be issued to the smallest affected area for example, a single receipt point, receipt points on a pipeline, or the entire system.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITYA. Quality:

All Suppliers: Natural gas delivered shall be merchantable natural gas suitable for the purposes for which it is sold. There shall be a Btu adjustment when the Btu content of the natural gas delivered varies from 1,000 Btu/cu. ft. A customer's billed consumption (therm or dekatherm) per month will be adjusted according to Btu content of the natural gas delivered. When Company is required to supplement supply with propane-air mixture, liquefied natural gas and/or a synthetic gas mixture, the Btu content will vary. A change in Btu content range by supplier will result in subsequent and like change in gas delivered to customer.

B. Unit of Measurement: For all customers served by the town plant distribution pipeline system the standard unit of measurement shall be a cubic foot at a temperature of 60 °F and at a pressure of 14.73 pounds per square inch absolute.

C. Delivery Pressure: Delivery pressure of natural gas by Company to customers for residential and general service will approximate four ounces. However, delivery pressure for such customer will normally not be less than two ounces or more than eight ounces as measured at the customer's meter outlet. Delivery of gas at a pressure of two psi will be provided to the customer upon request subject to Company approval and compliance with fuel line installation standards of Company and subject to distribution system design and capacity. Where the customer has entered into a standard gas sales contract with the Company, deliveries of gas will be made at the pressure specified in such contract. The customer shall install, operate and maintain at its own expense, such pressure regulating and relief devices as may be necessary to regulate the pressure of gas after delivery to the customer.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)D. Computation of Volumes of Gas Sold:

1. General Service and Small Volume Interruptible Customers: The volume of gas delivered to customer shall be computed at the standard unit of measurement. Where delivery pressure exceeds the standard unit of measurement the volumes will be corrected to the standard unit of measurement in accordance with the A.G.A. Gas Measurement Committee Report No. 3, as amended, or American Meter Handbook No. E-4.
2. Contractual Customers:
  - (a) Measurement Factors: The volume of gas delivered as measured at delivery pressures shall be corrected to the unit of measurement specified in the contract. Measurement and determination of volumes delivered shall be made in accordance with the recommendations set forth in A.G.A. Gas Measurement Committee Report No. 3, as amended, or American Meter Handbook No. E-4, or AGA Report No. 7.
  - (b) Temperature: The temperature of gas delivered and measured shall be assumed to be sixty (60) degrees Fahrenheit. Where a recording thermometer has been installed to record the temperature of the gas flowing through the meters, the arithmetic average of the hourly temperature so recorded shall be used in measurement computation.
  - (c) Specific Gravity: The specific gravity of the gas used in the measurement shall be as determined by the Company's wholesale natural gas suppliers: Northern Natural Gas Company, Great Lakes Gas Transmission Company, and Viking Transmission Company.
  - (d) Heating Value: The heating value of the natural gas which Company receives from its suppliers may vary. Accordingly, from time to time, adjustments in the form of a gas measurement factor may be necessary as specified in the provisions of the various contracts.

The heating value of the gas delivered shall be determined by appropriate industry standard equipment. Such equipment shall be adjusted to record the gross heating value per cubic foot of the gas on a dry basis. Such equipment shall be owned, operated and maintained by Supplier at a point on its facilities to be determined by Supplier; Supplier reserves the right to change the location at any time to a point which is representative of the gas being delivered hereunder.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)E. Meter Standards

1. Meter: The gas delivered by Company to the customer shall be measured by an adequate meter of standard type, installed, operated and maintained by Company.
2. Location: The town plant customer will provide a place on the customer's premises at no cost to the Company for location of the meter. The location of a previously set meter may be changed by the Company at the request of the customer. The expense of the change shall be paid by the customer.
  - (a) Domestic and Small Volume Commercial - Meters will be set and maintained on the customer's premises at a location mutually acceptable to both the Company and the customer after giving due consideration to safety, accessibility for meter reading, prudent investment of materials and the prevailing practice in the community. Alternative locations must be approved by the Company.
  - (b) Large Volume and/or Industrial - Meters will be set at customer's property line nearest the gas main whenever possible. Alternative locations must be approved by Company.
3. Access: The Company's authorized agents shall have access to the Company's meters and pipes at all reasonable times for the purpose of inspection, maintenance, connect, disconnect, leak detection, meter turn off and to ascertain the quantity of gas consumed or registered.
4. Testing: Company shall test its meters at reasonable intervals and shall at the time of the test adjust the meter to record accurately.
5. Customer Requested Meter Test: Upon request, the Company shall make a test of the meter serving a customer provided that such tests need not be made more frequently than once in 18 months. If the meter is found accurate under the provisions of 2. E. 6, the Company may charge the customer not to exceed thirty dollars (one hundred dollars for large volume equipment) or the actual cost of such test, whichever is less.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)E. Meter Standards: (Continued)5. Customer Requested Meter Test: (Continued)

The Company shall notify the customer in advance of the date and time of the requested test so the customer or a representative may be present when the meter is tested.

A report of the results of the test shall be made to the customer within a reasonable time after the completion of the test, and a record of the report, together with a complete record of each test shall be kept on file at the office of the Company.

6. Adjustment of Measurement Errors:

- (a) Fast Meters - Whenever any meter is found upon test to have an average error of more than two percent (2%) fast, Company shall refund to the customer the overcharge. If the error is due to a cause the date of which can be determined with reasonable certainty, then the refund will be computed from that date, but in no event for a period longer than one (1) year. If the period of the inaccuracy cannot be determined, then it shall be assumed that the full amount of the inaccuracy existed during the last half of the period since the meter was last tested but not to exceed six months.

If the recalculated bills indicate that a refund more than one dollar (\$1.00) is due an existing customer, or Two Dollars (\$2.00) is due a person no longer a customer of the Company, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as a credit on a bill. If a refund is due a person no longer a customer of the Company, the Company shall mail to the customer's last known address either the refund or a notice that the customer has three months in which to request a refund from the utility.

- (b) Slow Meters - Whenever any meter is found upon test to have an average error of more than two percent (2%) slow, Company may charge for the gas consumed during the period of inaccuracy, but not included in bills previously rendered. If the error is due to a cause the date of which can be determined with reasonable certainty, then Company may bill the customer for the amount that the test indicates has been undercharged for the period of inaccuracy, but not for a period longer than one (1) year. If the period of inaccuracy cannot be

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)E. Meter Standards: (Continued)6. Adjustment of Measurement Errors: (Continued)(b) Slow Meters (Continued)

determined, then the charge shall be based on a corrected meter reading for a period equal to one-half of the time elapsed since the previous test, but not exceed six months. For the purpose of this billing adjustment, the meter error shall be one-half of the algebraic sum of the error at full-rated flow plus the error at check flow. No back-billing from the time of notification by the customer will be sanctioned if the customer has called to the Company's attention his doubts as to the meter's accuracy and the Company has failed, within a reasonable time, to check it.

If the recalculated bills indicate that the amount due the utility exceeds Ten Dollars (\$10.00), Company may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

(c) Non-Registering Meters

When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, Company may charge for an estimated amount of gas used but in no event shall such charge be for a period longer than one (1) year.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)F. Meter Reading:

Meter readings of meters serving customers connected to Company distribution system shall normally be taken by the Company at intervals of approximately 30 days except where noted below. When access to a meter cannot be gained, the customer fails to supply a meter reading form in time for the billing operation or in case of emergency (storms, accidents, etc.), an estimated reading may be rendered. Estimated bills shall be based on the customer's historical actual consumption, if available, or rate schedule history where historical actual consumption is not available. In the case of a customer who has three consecutive estimated billings, the Company will use its best effort to obtain an actual reading. Each customer will receive at least one actual reading within a twelve month period. After a reading is obtained, if there is any material difference, an adjusted bill shall be rendered for the period since the last previous reading of the meter. The Company shall divide the municipality or territory into districts and will read meters in each district at a selected time.

No more than three estimated meter readings will occur for any customer, and no customer will receive estimated bills for two consecutive months more than one time per year.

Rural Customers shall supply meter readings on a form supplied by the Company and return them promptly.

3. COMPANY OWNED ITEMS:

Unless otherwise defined in writing between the customer and the Company, the Company shall own, install and maintain where applicable the following items required to provide service to the point of delivery:

- A. Service pipes.
- B. Meters.
- C. Regulators.
- D. Pressure relief vents and valves.
- E. Shut-off valves.
- F. Connectors and miscellaneous fittings.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

4. STANDARDS FOR CUSTOMER-OWNED FUEL LINES:

When fuel lines are customer owned, customers are responsible for installing and maintaining those fuel lines, including piping and where applicable, appurtenant pressure regulation, valves, jointing, pressure relief valves, fittings and equipment in compliance with the most currently applicable provisions of the American National Standard “National Fuel Gas Code,” ANDI Z 223.1-1974 (NFPA No. 54-1974), and Company and local codes and regulations pertaining to natural gas piping.

- A. Emergency Leak Calls. In the event of an Emergency Leak Call, Company will respond in accordance with the requirements of 49 C.F.R. Part 192.615. There will be no charge to the customer for such calls unless a leak or substandard pipes are found and the Company repairs such at the customer’s request. In such cases, the provisions under “Emergency Service Disconnection” would apply.
- B. Inspections. In response to either a non-emergency request from the customer for an inspection of the fuel lines or a request from the Minnesota Office of Pipeline Safety for a routine inspection, Company will perform tests in accordance with the National Fuel Gas Code, Company standards and local codes and regulations pertaining to natural gas piping. Testing may include, but shall not be limited to, leak detection tests conducted in and around the customer’s residence and “shut-in tests” which involves isolating the section of fuel line from the meter set at the sales point to the customer’s line. Non-emergency tests which are conducted at the request of the customer will be at the customer’s expense. If an inspection results in the detection of a leak or pipe which is below the code specification, the provisions under “Emergency Service Disconnection” would apply.
- C. Emergency Service Disconnection. If an inspection or a response to an Emergency Leak Call detects a leaking fuel line or a line failing to meet code standards, Company is obligated to “red tag” the meter and prevent any gas from following until customer has ensured that the necessary repairs have been made to reinstate the system into compliance with the safety specifications set out in the National Fuel Gas Code. Customers who choose MERC to provide repair service will pay separately for the service. If immediate replacement or repair is impossible the customer may elect, at the customer’s expense, to convert to an alternative source of fuel.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

5. WASTAGE OF GAS

No billing adjustments will be made for wastage of gas that occurs through the customer's fuel line and downstream of the Company's meter even though wastage may occur without the knowledge of the customer. Such wastage, if detected by Company, will be reported to the customer along with necessary recommendations for repair. Wastage of gas which occurs through the Company-owned mains and services will not normally be billed to the customer, provided, however, that any wastage which occurs as a direct result of damage by the customer or a third party to Company property will be billed to that customer or person(s) responsible for such damage.

6. TEMPORARY SERVICE

When the Company renders temporary service to a customer, the customer will bear the costs of installing and removing the service in excess of any salvage realized. The cost shall include the cost of labor, materials, permits, rights-of-way, pavement repairs, taxes imposed on the Company and all other costs incident to the furnishing and installation of the service. The Company may, at its sole discretion, waive all or a portion of such costs.

A customer taking temporary service shall pay the regular rates applicable to the class of service rendered. The rates charged reflect the Commission approved rate of return on that portion of the Company's business under this jurisdiction of this Commission.

The Company may require the customer to make an advance payment sufficient to cover the cost of service as described above.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSITA. Assurance of Payment

The Company may require all customers to make a written application for gas service. If application is approved for service it will be evaluated by the Company and a determination will be made of the need for a cash deposit sufficient to guarantee payment of bills for service rendered. A customer, who within the last 12 months has not had service disconnected for nonpayment of a bill and has not been liable for disconnect for nonpayment of a bill which is not in dispute, shall be deemed to have established good credit.

The Company may in certain situations require a deposit from new customers at the time of application for service and from existing customers. "New Service" means service extended to or requested by any customer who has not received service as a customer for the preceding six months. A utility shall not require a cash deposit or other guarantee of payment as a condition of obtaining new service unless a customer has an unsatisfactory credit or service standing with the utility due to any of the following:

- The customer or applicant has outstanding a prior utility service account with the utility which at the time of request for service remains unpaid and not in dispute;
- The service of a customer or applicant has previously been disconnected for any permissible reason which is not in dispute; or
- The credit history as provided in Minn. Rules 7820.4600 and 7820.4700 demonstrates that payment cannot be assured. The determination of an adequate credit history must be determined by objective criteria, and such criteria must bear a reasonable relationship to the assurance of payment.

Deposits may be required if the existing customer has had service with the company disconnected for nonpayment of an undisputed bill or has been issued a notice of disconnection for an undisputed bill within the last 12 months. "Existing service" means service presently being extended to a customer or which has been extended to a customer within the past six months.

The Company shall not require a deposit of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. The Company shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is unavailable.

No deposit shall be required by Company because of customer's income, home ownerships, residential location, employment tenure, nature of occupation, race, color, creed, sex, marital status, age or national origin, or any other criterion which does not bear a reasonable relationship to the assurance of payment of which is not authorized by Minn. Rules 7820.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)B. Guarantees In Lieu of Deposits

The Company may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to the Company, whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months, but shall automatically terminate after the customer has closed and paid his or her account with the Company, or at the guarantor's request upon 60 days' written notice to the Company. Upon termination of a guarantee contract or whenever the Company deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in Section 11 of these rules. The Company shall mail the guarantor copies of all disconnect notices sent to the customer whose account he or she has guaranteed unless the guarantor waives such notice in writing.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)C. Amount of Deposit to be Required and Interest Paid

The Company shall not require deposit or guarantee of any customer or applicant for service who has established good credit.

The amount of the cash deposit or surety bond required for Residential Customers shall not exceed the amount of the charge for one month's average usage based on annual normalized consumption.

The amount of the cash deposit or surety bond required for non-residential customers shall not exceed an estimated two months' gross bill or existing two months' bill.

The customer may pay deposits in installments.

Interest shall be paid on deposits in excess of \$20. The rate of interest must be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate must be rounded to the nearest tenth of one percent. By December 15 of each year, the commissioner of commerce shall announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year. Interest shall be paid from date of deposit to the date of refund or disconnection. Payment of the interest to the customer will be made at least annually or at the time the deposit is refunded. Interest payments may, at the option of the Company, be made in cash or be a credit to the customer's bill.

**EXCEPTION:** Per order in Docket G-999/CI-05-1832, reconnection fees and deposit requirements are waived for customers receiving benefits through the federal Low-Income Home Energy Assistance Program (LIHEAP) effective December 1, 2005 through April 15, 2006.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)D. Deposit Records and Receipts

Company shall maintain a record of all deposits received from customers showing the name of each customer, the address of the premises for which the deposit is maintained, the date and amount of deposit, and the date and amount of interest paid.

Whenever a deposit is accepted, Company will issue to the customer a nonassignable receipt containing the following minimum information:

- (1) Name of customer.
- (2) Place of deposit.
- (3) Date of deposit.
- (4) Amount of deposit.
- (5) Company name and address, signature and title of Company employee receiving deposit.
- (6) Current annual interest rate earned on deposit.
- (7) Statement of the terms and conditions governing the use, retention and return of deposits.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)E. Deposit Transfers

Service deposits shall be non-transferable from one customer to another customer, however, upon termination of the customer's service at the service address, Company may transfer the deposit to the customer's new active account.

F. Refund of Deposit

Upon termination of service, if the deposit is not to be transferred, the customer's deposit including interest shall be credited on the final bill less any unpaid service due the Company and provided the customer has allowed the Company to remove its meter(s) and equipment in an undamaged condition. Any credit balance will be returned to the customer within 45 days.

Deposits taken from customers who make prompt payments of undisputed bills for natural gas service for a period of twelve (12) consecutive months will be refunded or credited to the customer's bill and will include interest. The rate of interest must be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate must be rounded to the nearest tenth of one percent. By December 15 of each year, the commissioner of commerce shall announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year.

G. Credit Reports

Company may not use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of a customer. Any credit history so used shall be mailed to the customer in order to provide the customer an opportunity to review the data.

Refusal of a customer to permit use of a credit rating or credit service other than that of the Company shall not affect the determination of the Company as to that customer's credit history.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENTA. Information on Billing Statements

The Company shall bill each customer as promptly as possible following the reading of his or her meter. The customer's portion of the bill shall show the present and last preceding meter readings, the date of the present reading, and number and kinds of units metered, the class of service, the amount due, the date when the bill is due, any late fees, fuel adjustment clause, and the amount of state and local taxes; all separately itemized. Where applicable, bills shall show the net and gross amount of the bill and the date after which the gross amount must be paid. Bills rendered at rates requiring the measurement of a number of different factors, shall show all data necessary for the customer to check the computation of the bill. Estimated bills shall be distinctly marked as such.

In addition to the display of the appropriate billing determinants as described above, the Company's billing statements to its customers will contain the following information:

1. The statement i.e.: "Register any inquiry or complaint at Minnesota Energy Resources, PO Box 2176, Scottsbluff, NE 69363 or 800-889-9508."
2. A notice to customers of the availability upon request of the Customer Information Booklet described in Subsection 14.B. of these General Rules.

B. Billing Periods

Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly.

If the billing period is longer or shorter than the normal billing period by more than five days, the bill shall be prorated on a daily basis.

Regardless of ~~if~~ whether a bill is based on customer reading, Company's reading or Company's estimate of consumption, Company shall have the right to discontinue service for non-payment thereof as provided elsewhere in these Rules, Regulations, Terms and Conditions with respect to delinquent bills.

Issued By: ~~DM Derrieks~~ Theodore Eidukas  
~~Director Vice President~~-Regulatory Affairs

Submittal Date: ~~October 9, 2015~~ November 30, 2016

\*Effective with bills issued on and after this date.

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Proposed Effective Date: February 1, 2017

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)B. Billing Periods (Continued)

Upon request, the Company shall give the customer the approximate date on which he should receive his bill each month, and if a bill is not received or is lost, the Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve a customer from payment as provided for in the applicable tariff and these Rules and Regulations.

C. Billing Errors

1. Overcharges: When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be adjusted, refunded or credited to the customer. Credits shall be shown separately and identified.

When the Company has overcharged a customer, it shall calculate the difference between the amount collected for service rendered and the amount the Company should have collected for service rendered, plus interest, for the period beginning three (3) years before the date of discovery. Interest must be calculated as prescribed by Minnesota Statutes § 325E.02(b). If the recalculated bills indicate that more than one dollar (\$1.00) is due an existing customer or two dollars (\$2.00) is due a person no longer a customer of Company, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. If a refund is due a person no longer a customer of the Company, the Company shall mail to the customer's last known address either the refund or a notice that the customer has three months in which to request a refund from the utility.

If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis of payments for service rendered after that date, but in no event for a period beginning more than three (3) years before the discovery of an overcharge.

2. Undercharges: When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the undercharge may be billed to the customer.

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Vice President-Regulatory Affairs  
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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)C. Billing Errors (Continued)2. Undercharges (Continued)

When the Company has undercharged a customer, the Company shall calculate the difference between the amount collected for service rendered and the amount the Company should have collected for service rendered, for the period beginning one (1) year before the date of discovery. If the recalculated bills indicate that the amount due Company exceeds Ten Dollars (\$10.00), Company may bill the customer for the amount due. The Company shall not bill for any undercharge incurred after the date of a customer inquiry or complaint if the Company failed to begin investigating the matter within a reasonable time and the inquiry or complaint ultimately resulted in the discovery of the undercharge. The original billing rendered because of a billing error shall be separated on the regular bill and the charges explained in detail.

If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis of payments for service rendered after that date, but in no event for a period beginning more than one (1) year before the discovery of an undercharge.

The Company will offer a payment agreement to residential customers who have been undercharged if no culpable conduct by the customer or resident of the customer's household caused the undercharge. The agreement must cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable to the customer and the Company, except that the duration of a payment agreement offered by the Company to a customer whose household income is at or below 50 percent of state median household income must consider the financial circumstances of the customer's household. No interest or delinquency fee may be charged as part of an undercharge agreement under this paragraph.

D. Even Payment Plan

The Company shall offer an Even Payment Plan to all General Service Customers whose accounts are paid in full and who agree to the conditions of the plan. Normally, monthly variations may result from rate increases, fluctuations in Purchased Gas Cost Adjustments, variations in usage, and weather conditions. However, the Even Payment plan is designed to minimize large changes.

Customers may enroll in the program during any month of the year.

The Even Payment Plan may be periodically reviewed by the Company and the monthly installment shall be revised if it appears that the debit or credit balance at the end of the Even Payment period will substantially exceed the estimate.

The annual recalculation month is the same month as the initial anniversary date of enrollment. If a customer's budget changes anytime, the annual recalculation month reflects one year from the change or review. The difference between the accumulated total amount of the customer's billings determined by metered usage, and the accumulated total of the amount paid shall be rolled over into the estimated billing for the upcoming year, and the new Even Pay amount will be calculated using that total.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)E. Late Payment Charge

If the payment is not received on or before the assessed date indicated on the bill, the bill shall be deemed delinquent and a Late Payment Charge will be assessed. Late Payment Charges are assessed on the delinquent amount only, in the percentage and timing indicated on each rate schedule or contract. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended through the next normal working day before the Late Payment Charge is assessed. In the case of a residential customer on either a budget billing plan or a payment schedule “delinquent amounts” means the lesser of the outstanding account balance or the outstanding scheduled payments. The utility shall credit all payments received against the oldest outstanding account balance before the application of any Late Payment Charge. Any balance in excess of \$10 will be assessed a charge.

Residential customers receiving energy assistance may request and receive a one-time waiver, within a 12-month period, of a monthly Late Payment Charge.

The Late Payment Charge will be waived in instances where a Company error is involved, where complications arise with financial institutions in processing automatic electronic payments, or where the bill is disputed.

F. Excise Taxes

When any governmental entity imposes a franchise, occupation, business, sales, license, excise, privilege or similar tax of any kind on the Company, the amounts thereof, insofar as practical, shall be surcharged on a proportionate basis to all customers receiving gas service within such governmental entity. This tax charge, in all cases, will be in addition to the regular charges for gas service.

The following franchise fees shall be applicable to bills for natural gas sales within the corporate limits of the listed cities. The Company remits 100% of the franchise fees collected to the local governmental unit.

The Company will notify the Minnesota Public Utilities Commission of any new, renewed, expired, or changed fee, authorized by Minn. Stat. § 216B.36 to raise revenue, at least 60 days prior to its implementation. If the Company receives less than 60 days’ notice of a repealed or reduced fee from a city, the Company will notify the Minnesota Public Utilities Commission within 10 business days of receiving notice. Notification to the Minnesota Public Utilities Commission will include a copy of the relevant franchise ordinance, or other operative document authorizing imposition of, or change in, the fee.

The Company will include the following language on the first bill to a customer on which a new or modified fee is listed:

The MUNICIPALITY imposes a X% OF GROSS REVENUES/X% PER METER/\$ PER THERM fee on Minnesota Energy Resources Corporation collectible through a fee on Minnesota Energy Resources Corporation accounts effective MM/DD/YYYY. The line item appears on your bill as “Franchise fee-MUNICIPALITY.” Minnesota Energy Resources Corporation remits 100% of this fee to the MUNICIPALITY.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Albert Lea**

There shall be added to each customer's monthly natural gas bill a City of Albert Lea Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Albert Lea, which is currently 4.5% of gross revenues for natural gas service furnished within the city of Albert Lea. The fee is listed on the bill as "Franchise fee-Albert Lea."

**Baudette**

There shall be added to each customer's monthly natural gas bill a City of Baudette Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Baudette, which is currently a flat fee of \$2.50. The fee is listed on the bill as "Franchise fee-Baudette."

**Bemidji**

There shall be added to each customer's monthly natural gas bill a City of Bemidji Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Bemidji, which is currently 5.0% of the gross revenues received from each customer. The fee is listed on the bill as "Franchise fee-Bemidji."

**Detroit Lakes**

There shall be added to each customer's monthly natural gas bill a City of Detroit Lakes Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Detroit Lakes, which is currently a flat fee of \$1.00 plus a volumetric fee of \$0.003 per therm. The fee is listed on the bill as "Franchise fee-Detroit Lakes."

**Duluth Bayview Heights**

There shall be added to each customer's monthly natural gas bill a City of Duluth Bayview Heights Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Duluth, which is currently a flat fee of one and one-half (1 ½) percent of gross revenue. The fee is listed on the bill as "Franchise fee-Duluth."

**Elgin**

There shall be added to each customer's monthly natural gas bill a City of Elgin Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Elgin, which is currently a volumetric fee of five (5) percent of gross revenue. The fee is listed on the bill as "Franchise fee-Elgin."

**Hayfield**

There shall be added to each customer's monthly natural gas bill a City of Hayfield Franchise Fee assessment. The amount of the fee to be assessed shall be equal to that imposed on the Company by the City of Hayfield, which is currently a flat fee of \$2.00 per month per customer. The fee is listed on the bill as "Franchise Fee—Hayfield."

**Hermantown**

There shall be added to each customer's monthly natural gas bill a City of Hermantown Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Hermantown, which is currently a flat fee of \$2.00 per month for each residential meter and \$2.00 per month for each commercial, industrial, and other meter. The fee is listed on the bill as "Franchise fee-Hermantown."

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Jackson**

There shall be added to each customer's monthly natural gas bill a City of Jackson Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Jackson, which is currently a flat fee of \$2.00 per meter for residential customers, \$5.00 per meter for small commercial customers, \$10.00 per meter for large commercial customers, and \$15.00 per meter for industrial and transportation customers per month. The fee is listed on the bill as "Franchise fee-Jackson."

**Lakefield**

There shall be added to each customer's monthly natural gas bill a City of Lakefield Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Lakefield, which is currently a flat fee of \$2.00. The fee is listed on the bill as "Franchisee fee -Lakefield."

**Mantorville**

There shall be added to each customer's monthly natural gas bill a City of Mantorville Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Mantorville, which is currently a flat fee of \$2.00. The fee is listed on the bill as "Franchisee fee - Mantorville."

**Mora**

There shall be added to each customer's monthly natural gas bill a City of Mora Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Mora, which is currently a flat fee of \$2.87. The fee is listed on the bill as "Franchise fee-Mora."

**Nashwauk**

There shall be added to each customer's monthly natural gas bill a City of Nashwauk Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Nashwauk, which is currently a volumetric fee of \$0.013 per therm, which shall be adjusted annually according to the change in the Henry Hub wellhead natural gas price. The fee is listed on the bill as "Franchise fee-Nashwauk."

**New Richland**

There shall be added to each customer's monthly natural gas bill a City of New Richland Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of New Richland, which is currently a flat fee of \$1.00. The fee is listed on the bill as "Franchise fee-New Richland."

**Ortonville**

There shall be added to each customer's monthly natural gas bill a City of Ortonville Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Ortonville, which is currently a flat fee of \$1.50 per meter plus a volumetric fee of \$0.013 per 100 cubic feet of gas, which shall be adjusted annually for inflation based upon the most recent Urban Consumer Price Index inflation adjustment rates. The fee is listed on the bill as "Franchise fee-Ortonville."

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Park Rapids**

There shall be added to each customer's monthly natural gas bill a City of Park Rapids Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Park Rapids, which is currently a flat fee of \$2.00. The fee is listed on the bill as "Franchise fee-Park Rapids."

**Plainview**

There shall be added to each customer's monthly natural gas bill a City of Plainview Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Plainview, which is currently a flat fee of \$0.50 plus a volumetric fee of \$0.01 per therm for residential, firm commercial, and industrial customers and \$0.005 per therm for interruptible commercial customers. The fee is listed on the bill as "Franchise fee-Plainview."

**Roseau**

There shall be added to each customer's monthly natural gas bill a City of Roseau Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Roseau, which is currently a volumetric fee of \$0.01122 per therm. The fee is listed on the bill as "Franchise fee-Roseau."

**St. Charles**

There shall be added to each customer's monthly natural gas bill a City of St. Charles Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of St. Charles, which is currently a flat fee of \$1.00. The fee is listed on the bill as "Franchise fee-St. Charles."

**Silver Bay**

There shall be added to each customer's monthly natural gas bill a City of Silver Bay Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Silver Bay, which is currently a flat fee of \$3.00 per month for each residential meter and \$3.00 per month for each commercial, industrial, and other meter. The fee is listed on the bill as "Franchise fee-Silver Bay."

**Staples**

There shall be added to each customer's monthly natural gas bill a City of Staples Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Staples, which is currently a flat fee of \$1.50 plus a volumetric fee of \$0.013 per therm, which shall be adjusted annually for inflation based upon the most recent Urban Consumer Price Index inflation adjustment rates. The fee is listed on the bill as "Franchise fee-Staples."

**Stewartville**

There shall be added to each customer's monthly natural gas bill a City of Stewartville Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Stewartville, which is currently a flat fee of \$0.50 for all customer classes plus a volumetric fee of \$0.005 per therm for residential customers, \$0.0015 per therm for firm commercial and industrial customers, and \$0.0008 per therm for interruptible commercial customers. The fee is listed on the bill as "Franchise fee-Stewartville."

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Thief River Falls**

There shall be added to each customer's monthly natural gas bill a City of Thief River Falls Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Thief River Falls, which is currently a flat fee of \$2.00 per meter per month for all customer classes plus a volumetric fee of \$0.012 per therm for all customer classes except for interruptible customers, who shall pay a volumetric fee of \$0.006 per therm. The fee is listed on the bill as "Franchise fee-Thief River Falls."

**Wadena**

There shall be added to each customer's monthly natural gas bill a City of Wadena Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Wadena, which is currently a flat fee of \$2.00 for residential customers, \$5.00 for firm commercial customers, and \$20.00 for commercial and industrial interruptible customers and \$20.00 for firm industrial customers. The fee is listed on the bill as "Franchise fee-Wadena."

**Wells**

There shall be added to each customer's monthly natural gas bill a City of Wells Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Wells, which is currently a flat fee of \$2.00 for residential customers, \$2.00 for commercial firm customers, \$30.00 for commercial interruptible customers, \$2.00 for industrial firm customers, \$30.00 for industrial interruptible customers, and \$2.00 for transportation customers. The fee is listed on the bill as "Franchise fee-Wells."

**Worthington**

There shall be added to each customer's monthly natural gas bill a City of Worthington Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Worthington, which is currently a flat fee of \$0.50 plus a volumetric fee of \$0.006 per therm for residential customers, \$0.003 per therm for non-residential customers. The fee is listed on the bill as "Franchise fee-Worthington."

G. Returned Check Fee

In the event any check, draft, or negotiable instrument submitted to the Company for payment is dishonored or returned by the financial institution on which it is drawn, the Company will assess a returned check charge of \$15.00.

H. Payment Agreement

The Company will offer a payment agreement to residential customers for the payment of arrears. Payment agreements must consider a customer's financial circumstances and any extenuating circumstances of the household. No additional service deposit may be charged as a consideration to continue service to a customer who has entered and is reasonably on time under an accepted payment agreement.



## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICEA. Disconnection of Service - Permissible Reasons

The Company may disconnect service to any customer for any reason stated below in paragraphs 1 through 14. The Company shall apply the customer's deposit plus accrued interest to any liability of the customer. Any remaining balance of the deposit plus interest which is not in liability to the Company shall be returned to the customer within forty-five (45) days of disconnection. Wherever required, notice must comply with the requirements of Section 10. Any customer whose service has been disconnected pursuant to a reason enumerated in subsection 9.A. of these rules shall be subject to a reconnection charge as set forth in Section 12.

1. Nonpayment of Bill:

With notice, Company may disconnect service for nonpayment of bill only when the amount of the deposit plus accrued interest is inadequate to satisfy the incurred obligations. All disconnections are subject to the "Cold Weather Rule" at Designation 9.D. below.

Bills for service become delinquent if not paid within twenty-five (25) days for residential customers or within seventeen (17) days of the current billing date for non-residential customers. The next billing date for residential customers may not be less than twenty-five (25) days from the current billing date. The current billing date may be no more than three working days before the date of mailing of the bill by the utility for residential and non-residential customers. The due date may be printed on the bill, which is not more than five days before the next scheduled billing date for residential customers. If bills for service become delinquent, the customer will be given sufficient written notice that his service will be discontinued and/or disconnected unless the bill is paid or other appropriate arrangements are made for payment. Service will not be discontinued and/or disconnected until at least five (5) work days have passed after the date of such notice. In the event service is discontinued because of nonpayment of bills, Company will require the payment of a reconnection charge as listed in Section 12.

Bills for service become delinquent as provided above. However, temporary extension of credit may be granted by the Company where a customer has encountered a temporary unforeseen emergency but possesses a definite financial ability to secure funds by a specific date in the near future. Such extension of credit shall be at the sole determination of the Company and subject to approval at the local manager level.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service – Permissible Reasons (Continued)2. Failure to Meet Deposit and Credit Requirements:

With notice, Company may disconnect or refuse service for failure of the customer to meet the deposit and credit requirements contained herein at Section 7.

3. Non-Compliance with Rules and Regulations:

All service furnished to customer shall be in accordance with these General Rules, Regulations, Terms and Conditions, and in case a customer fails to conform to such Rules, the Company will, after five (5) days' sufficient notice in writing, (unless otherwise provided for herein), discontinue and/or disconnect service unless within such time conditions complained of are remedied. Such notice shall specify the cause of the default and the Company shall cooperate with the customer in suggesting the proper remedy.

4. Breach of the Contract:

With notice Company may disconnect service to a customer who is in breach of the contract for service between the Company and the customer.

5. Tampering With and Care of Company's Property:

No one except an agent of Company or one otherwise lawfully entitled to do so shall be permitted to remove or tamper with Company's meter or connections, or with any of the property of the Company on or about the customer's premises. If at any time the Company shall find that a meter, piping, or equipment, or parts thereof, or other instruments used in furnishing service to the customer have been tampered with by anyone except an agent of Company or one otherwise lawfully entitled to do so, it shall be considered sufficient cause for immediate discontinuance of service by Company.

6. Dangerous Conditions Found on Customer's Premises:

In any case where Company has received notice or knows that a dangerous condition exists with respect to the presence or delivery of natural gas on customer's premises, Company will, without advance notice, refuse to connect if service

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service - Permissible Reasons (Continued)6. Dangerous Conditions Found on Customer's Premises (Continued)

has not already been connected or shut off the service, and service shall not be resumed until such dangerous condition shall have been eliminated.

7. Failure to Provide Access:

With notice for failure of the customer to provide the Company reasonable access to its equipment as provided in Subsection 2.E.3.

8. Failure to Furnish Service, Equipment and/or Right-of-Way:

With notice for failure of a customer to furnish such service, equipment and/or rights-of-way necessary to serve said customer as shall have been specified by the Company as a condition of obtaining service. Such disconnection shall remain until the defective condition is cured or within a reasonable time for compliance.

9. Customer Request for Discontinuance of Service:(a) Permanent Disconnection:

Except where otherwise specified in the contract, customer may discontinue his service upon giving two (2) days written notice to the Company, at its office, of his intention to do so. Customer shall be liable for all service supplied to the premises for which customer has made application for service until the date specified in customer's notice of intention of discontinuing service, provided such date does not give Company less notice than specified above. Where two (2) days notice is required, Sundays and legal holidays shall not be included in such period. When a change in occupancy takes place on any premises, which is served by the Company, notice shall be given at the office of the Company two (2) days prior to the date of such change. In case no such notice is given to the Company, the outgoing occupant shall be responsible for all service supplied until such notice is given to the Company.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service - Permissible Reasons (Continued)9. Customer Request for Discontinuance of Service (Continued)(b) Temporary Disconnection:

Company may temporarily disconnect service upon written request by the customer, providing the Company is not entitled to otherwise disconnect service. Temporary disconnection of service for this reason does not require a refund or forfeiture of deposit nor an interruption of interest. A reconnect fee of \$30 during normal business hours or a premium charge outside normal business hours consistent with current overtime rates, with a maximum reconnect fee of \$45, to re-initiate service shall be charged in addition to the monthly service charge for the period of disconnection.

10. Disconnection Without Notice:

Without notice a utility may disconnect service to any customer for any reason stated below:

- A. in the event of an unauthorized use of or tampering with the utility's equipment; or
- B. in the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility's equipment, or to the public.

11. Reselling or Redistribution of Service:

The service furnished is for the sole use of the customer who shall not sell any of such service to any other person or permit any other person to use the same without written consent of the Company. For the violation of this condition, the Company may, after forty-eight hours written notice, remove its meters and discontinue its service.

12. Fraudulent Use of Service:

In case gas is used fraudulently in any manner on the premises occupied by customer with or without customer's knowledge, the service will be shut off without any advance notice and service shall then not be resumed until customer shall have given satisfactory assurance that such

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service - Permissible Reasons (Continued)12. Fraudulent Use of Service (Continued)

fraudulent use of gas will be discontinued and shall have paid to Company such an amount estimated by Company to be a reasonable payment for gas fraudulently used and not paid for.

13. Disregard of Curtailment Orders:

Willful or continued failure of an interruptible customer to comply with curtailment orders issued by Company shall be sufficient cause for discontinuance of such service by Company even though customer pays the penalty specified in the rate schedule. If service is discontinued, a reconnection charge, in addition to the overrun deterrent and liquidating damages charge set out herein and normal rate for gas consumed, will be required to be paid before service is restored.

14. Compliance with Request from Governmental Authority Having Jurisdiction:

With notice, when necessary for Company to comply with any Order or request of any governmental authority having jurisdiction.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)B. Non-Permissible Reasons to Disconnect Service:1. Delinquency by Previous Occupant:

Delinquency in payment for services rendered to previous customer who occupied the premises unless said customer continues to occupy the premises.

2. Failure to Pay for Merchandise, etc:

Failure to pay for merchandise, appliances or services not approved by the Commission as an integral part of the Company services.

3. Failure to Pay - Different Class of Service:

Failure to pay for a different class of service.

4. Failure to Pay - Another Meter:

Failure to pay for a bill based on concurrent charges from another meter.

5. Failure to Pay - Previous Underbilling Due to Inaccurate Meter or Billing Error:

Failure to pay for a bill to correct previous underbilling due to an inaccurate meter or billing error, if the customer agrees to payment over a reasonable period of time.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)C. Landlord - Tenant Rule:

In situations where the service is rendered at an address different from the mailing address of the bill, or where the Company has reason to know that a landlord-tenant relationship exists and that the landlord is the customer of the Company; and where the landlord as customer would otherwise be subject to disconnection of service; the Company may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service, the Company, after providing notice as required in these Rules, shall offer the occupant the opportunity to subscribe for service in her or his own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the Rules.
2. Company shall not attempt to recover from a tenant, or condition service to a tenant upon the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

D. Disconnection During Cold Weather:

1. Scope: This section applies only to the Company's residential customers.
2. Definitions: The following definitions apply in this section.

"Cold weather period" means the period from October 15 through April 15 of the following year.

"Customer" means a residential customer of the Company.

"Disconnection" means the involuntary loss of utility heating service as a result of a physical act by the Company to discontinue service. Disconnection includes installation of a service or load limiter or any device that limits or interrupts utility service in any way.

"Household income" means the combined income, as defined in Minn. Stat. § 290A.03, subd. 3, of all residents of the customer's household, computed on an annual basis. Household income does not include any amount received for energy assistance.

"Reasonably timely payment" means payment within five working days of agreed-upon due dates.

"Reconnection" means the restoration of utility heating service after it has been disconnected.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)2. Definitions (Continued)

“Summary of rights and responsibilities” means a notice approved by the Minnesota Public Utilities Commission that contains, at a minimum, the following:

- (a) an explanation of the provisions of Section VIII.9.D.5 and Minn. Stat. § 216B.096, subd. 5;
- (b) an explanation of no-cost and low-cost methods to reduce the consumption of energy;
- (c) a third-party notice;
- (d) ways to avoid disconnection;
- (e) information regarding payment agreements;
- (f) an explanation of the customer’s right to appeal a determination of income by the Company and the right to appeal if the Company and the customer cannot arrive at a mutually acceptable payment agreement; and
- (g) a list of names and telephone numbers for county and local energy assistance and weatherization providers in each county served by the Company.

“Third-party notice” means a notice approved by the Minnesota Public Utilities Commission containing, at a minimum, the following information:

- (a) a statement that the Company will send a copy of any future notice of proposed disconnection of Company service to a third party designated by the residential customer;
- (b) instructions on how to request this service; and
- (c) a statement that the residential customer should contact the person the customer intends to designate as the third-party contact before providing the Company with the party’s name.

“Company” means MERC.

“Utility heating service” means natural gas used as a primary heating source for the customer’s primary residence.

“Working days” means Mondays through Fridays, excluding legal holidays. The day of receipt of a personally served notice and the day of mailing of a notice shall not be counted in calculating working days.



## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)3. Company Obligations Before Cold Weather Period

Each year, between September 1 and October 15, the Company must provide all customers, personally or by first class mail, a summary of rights and responsibilities. The summary must also be provided to all new residential customers when service is initiated.

4. Notice Before Disconnection During Cold Weather Period

Before disconnecting utility heating service during the cold weather period, the Company must provide, personally or by first class mail, a Minnesota Public Utilities Commission-approved notice to a customer, in easy-to-understand language, that contains, at a minimum, the date of the scheduled disconnection, the amount due, and a summary of rights and responsibilities.

5. Cold Weather Rule

During the cold weather period, the Company may not disconnect and must reconnect utility heating service of a customer whose household income is at or below 50 percent of the state median income if the customer enters into and makes reasonably timely payments under a mutually acceptable payment agreement with the Company that is based on the financial resources and circumstances of the household; provided that, the Company may not require a customer to pay more than ten percent of the household income toward current and past utility bills for utility heating service.

The Company may accept more than ten percent of the household income as the payment arrangement amount if agreed to by the customer.

The customer or a designated third party may request a modification of the terms of a payment agreement previously entered into if the customer's financial circumstances have changed or the customer is unable to make reasonably timely payments.

The payment agreement terminates at the expiration of the cold weather period unless a longer period is mutually agreed to by the customer and the Company.

The Company shall use reasonable efforts to restore service within 24 hours of an accepted payment agreement, taking into consideration customer availability, employee availability, and construction-related activity.

6. Verification of Income

In verifying a customer's household income, the Company may:

(a) accept the signed statement of a customer that the customer is income eligible;

(b) obtain income verification from a local energy assistance provider or a government agency;

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)6. Verification of Income (Continued)

(c) consider one or more of the following:

(i) the most recent income tax return filed by members of the customer's household;

(ii) for each employed member of the customer's household, paycheck stubs for the last two months or a written statement from the employer reporting wages earned during the preceding two months;

(iii) documentation that the customer receives a pension from the Department of Human Services, the Social Security Administration, the Veteran's Administration, or other pension provider;

(iv) a letter showing the customer's dismissal from a job or other documentation of unemployment; or

(v) other documentation that supports the customer's declaration of income eligibility.

A customer who receives energy assistance benefits under any federal, state, or county government programs in which eligibility is defined as household income at or below 50 percent of state median income is deemed to be automatically eligible for protection under this section and no other verification of income may be required.

7. Prohibitions and requirements

This section applies during the cold weather period.

The Company may not charge a deposit or delinquency charge to a customer who has entered into a payment agreement or a customer who has appealed to the Minnesota Public Utilities Commission under Section VIII.9.D.8 and Minn. Stat. § 216B.096, subd. 8.

A utility may not disconnect service during the following periods:

(a) during the pendency of any appeal under Section VIII.9.D.8 and Minn. Stat. § 216B.096, subd. 8;

(b) earlier than ten working days after the Company has deposited in first class mail, or seven working days after the Company has personally served, the notice required under Section VIII.9.D.4 and Minn. Stat. § 216B.096, subd. 4 to a customer in an occupied dwelling;

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)7. Prohibitions and Requirements (Continued)

(c) earlier than ten working days after the Company has deposited in first class mail the notice required under Section VIII.9.D.4 and Minn. Stat. § 216B.096, subd. 4 to the recorded billing address of the customer, if the Company has reasonably determined from an on-site inspection that the dwelling is unoccupied;

(d) on a Friday, unless the Company makes personal contact with, and offers a payment agreement consistent with this section to the customer;

(e) on a Saturday, Sunday, holiday, or the day before a holiday;

(f) when the Company offices are closed;

(g) when no Company personnel are available to resolve disputes, enter into payment agreements, accept payments, and reconnect service; or

(h) when the Minnesota Public Utilities Commission offices are closed.

The Company may not discontinue service until the utility investigates whether the dwelling is actually occupied. At a minimum, the investigation must include one visit by the Company to the dwelling during normal working hours. If no contact is made and there is reason to believe that the dwelling is occupied, the Company must attempt a second contact during nonbusiness hours. If personal contact is made, the Company representative must provide notice required under Section VIII.9.D.4 and Minn. Stat. § 216B.096, subd. 4 and, if the utility representative is not authorized to enter into a payment agreement, the telephone number the customer can call to establish a payment agreement.

The Company must reconnect utility service if, following disconnection, the dwelling is found to be occupied and the customer agrees to enter into a payment agreement or appeals to the Minnesota Public Utilities Commission because the customer and the utility are unable to agree on a payment agreement.

8. Disputes; Customer Appeals

The Company must provide the customer and any designated third party with a Minnesota Public Utilities Commission-approved written notice of the right to appeal:

(a) a Company determination that the customer's household income is more than 50 percent of state median household income; or

(b) when the Company and customer are unable to agree on the establishment or modification of a payment agreement.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)8. Disputes; Customer Appeals (Continued)

A customer's appeal must be filed with the Minnesota Public Utilities Commission no later than seven working days after the customer's receipt of a personally served appeal notice, or within ten working days after the Company has deposited a first class mail appeal notice.

Notwithstanding any other law, following an appeals decision adverse to the customer, the Company may not disconnect utility heating service for seven working days after the Company has personally served a disconnection notice, or for ten working days after the Company has deposited a first class mail notice. The notice must contain, in easy-to-understand language, the date on or after which disconnection will occur, the reason for disconnection, and ways to avoid disconnection.

9. Customers Above 50 Percent of State Median Income

During the cold weather period, a customer whose household income is above 50 percent of state median income:

(a) has the right to a payment agreement that takes into consideration the customer's financial circumstances and any other extenuating circumstances of the household; and

(b) may not be disconnected and must be reconnected if the customer makes timely payments under a payment agreement accepted by the Company.

The second sentence in Section VIII.9.D.7 does not apply to customers whose household income is above 50 percent of state median income.

10. Reporting

Annually on November 1, the Company must electronically file with the Minnesota Public Utilities Commission a report, in a format specified by the Minnesota Public Utilities Commission, specifying the number of the Company's heating service customers whose service is disconnected or remains disconnected for nonpayment as of October 1 and October 15. If customers remain disconnected on October 15, the Company must file a report each week between November 1 and the end of the cold weather period specifying:

(1) the number of the Company's heating service customers that are or remain disconnected from service for nonpayment; and

(2) the number of the Company's heating service customers that are reconnected to service each week. The Company may discontinue weekly reporting if the number of the Company's heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)

## D. Disconnection During Cold Weather (Continued)

10. Reporting (Continued)

The data reported under this section and Minn. Stat. § 216B.096, subd. 10 are presumed to be accurate upon submission and must be made available through the Minnesota Public Utilities Commission's electronic filing system.

E. Notice to Cities of Utility Disconnection

Notwithstanding Minn. Stat. § 13.685 or any other law or administrative rule to the contrary, upon written request from a city, on October 15 and November 1 of each year, or the next business day if that date falls on a Saturday or Sunday, the Company will make a report available to the city of the address of properties currently disconnected and the date of the disconnection. Upon written request from a city, between October 15 and April 15, the Company will make daily reports available of the address and date of any newly disconnected properties.

For the purpose of this section, "disconnection" means a cessation of services initiated by the Company that affects the primary heat source of a residence and service is not reconnected within 24 hours.

F. Medical Emergencies

The Company shall reconnect or continue service to a customer's residence where a medical emergency exists, provided that the Company receives: (1) written certification, or initial certification by telephone and written certification within five business days, from a medical doctor that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household; and (2) the customer's consent to a payment arrangement for the amount in arrears.

10. NOTICES: OTHER TIME REQUIREMENTS

- A. Where required, all notices required by these Rules of impending action by the Company shall be by First Class Mail. Notice shall be sent to the address where service is rendered and to the address where the bill is sent if different from the address where service is rendered. A Company representative will make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.
- B. All notices required by these Rules must precede the action to be taken by at least five (5) days excluding Sundays and legal holidays. No notice may be given until the condition of which it informs, presently exists.
- C. In lieu of mailing, notices may be delivered by a representative of the Company. They must be in writing and receipt of them must be signed by the customer, if present, or some other member of the customer's family of a responsible age or affirmed in writing by the representative of the Company that delivery was attempted in good faith.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

10. NOTICES: OTHER TIME REQUIREMENTS (Continued)

- D. A record of all notices required by these Rules must be kept on file by the Company and must be available to the Commission.
- E. Disconnection notices shall contain the date on or after which disconnection will occur, reason for disconnection, and methods of avoiding disconnection in normal easy-to-understand language.

11. MANNER OF DISCONNECTION WHERE NOTICE IS REQUIRED

- A. Service may be disconnected only in conjunction with a personal visit by a Company representative to the address where the service is rendered and an attempt to make personal contact with the customer at the address. If the address is a building containing two or more dwelling units, the representative shall make a personal visit to the door of the customer's dwelling unit within the building. If security provisions in the building preclude free access on the part of the representative, the representative shall attempt to gain access to the building from the caretaker, for the purpose of attempting to make personal contact with the customer.
- B. The representative of the Company shall, at all times, be capable of receiving payment other than cash, if nonpayment is the cause of the disconnection of service. If the disconnection or suspension be for cause other than nonpayment, the representative shall be able to certify that the cause has been remedied by the customer.

12. RECONNECTION FEE

In the event service has been disconnected because customer could not pay the bill or meet deposit or credit requirements, the customer shall pay a reconnect fee of thirty (\$30.00) dollars in addition to making a settlement satisfactory to the Company of the outstanding bill, before service is restored. Reconnection outside of normal business hours shall be calculated at a premium charge, consistent with current overtime rates, with a maximum reconnect fee of \$45.

**EXCEPTION:** Per order in Docket G-999/CI-05-1832, reconnection fees and deposit requirements are waived for customers receiving benefits through the federal Low-Income Home Energy Assistance Program (LIHEAP) effective December 1, 2005 through April 15, 2006.

In the event service has been disconnected for valid cause by the Company as listed in Section VIII.9.A.3, 7, 8, 9, or 14, the customer shall, in addition to any new deposit requirements, pay a reconnect fee of \$30.00 in addition to making a settlement satisfactory to the Company of the outstanding bill, before service is restored. In the event service has been disconnected for valid cause by the Company as listed in Section VIII.9.A.4, 5, 10, 11, 12, or 13, the customer shall, in addition to any new deposit requirements, pay a reconnect fee of \$100.00, plus the costs of disconnection and reconnection incurred by the Company, in addition to making a settlement satisfactory to the Company of the outstanding bill, before service is restored.

The customer will not be required to pay a reconnection fee when the disconnection was because of a condition determined to be hazardous to the customer, other customers of the Company, to the Company's equipment, or to the public.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

13. DISPUTES

Whenever the customer advises the Company's designated representative prior to the disconnection of service that any part of the billing as rendered or any part of the services is in dispute, the Company shall:

- A. Investigate the dispute promptly.
- B. Advise customer of investigation and its result.
- C. Attempt to resolve dispute.
- D. Withhold discontinuation of service until the investigation is completed and the customer is informed of the findings in writing.
- E. Upon the findings of the Company, the customer must submit payment in full of any bill which is due.
- F. If the dispute is not resolved to the satisfaction of the customer, he or she must submit the entire payment and may designate the disputed portion to be placed in escrow to the Company. Such payment shall be called an "escrow payment".
- G. Escrow Payments:
  1. To submit a payment in escrow, the customer must make payment of the amount due as shown on the bill through an "escrow payment form", clearly marked and provided by the Company.
  2. The "escrow payment form" must provide space for the customer to explain why the Company's resolution of the dispute is unsatisfactory to the customer. The form must be in three (3) copies, one of which will be retained by the customer.
  3. A copy of the "escrow payment form" must be forwarded by the customer to the Public Utilities Commission.
  4. Any escrow payment to the Company may be applied by the Company as any normal payment received by the Company.
  5. After escrow payment has been made, the customer and the Company may still resolve the dispute to their mutual satisfaction.
  6. By submitting the "escrow payment form" to the Commission, a customer is deemed to have filed an informal complaint against Company pursuant to the Commission's Rules.
  7. Upon settlement of the dispute, any sums found to be entitled to be refunded to the customer shall be supplemented by an 8 percent per annum interest charge from the date of payment to the date returned by the Company.

Issued By: Theodore Eidukas DM-Derrieks  
Vice President-Regulatory Affairs

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

13. DISPUTES (Continued)

- H. The customer may apply to the Company to waive its right to disconnect. If the Company refuses to waive its right to disconnect, the customer may apply to the Commission for emergency status. If the Commission determines the customer has a probable claim in the dispute and that hardship may result in the event of discontinuation of service, it may declare an emergency status to exist and order the Company to continue service for a period not to exceed thirty (30) days.
- I. Notwithstanding any other Rule herein to the contrary, Company shall not be obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer shall pay, when due, all current bills due while the review is pending. If, following the first filing for review, the Commission, the same customer or any other person, files for any subsequent review by the Commission pertaining to the same account, such subsequent filings shall not relieve customer from the obligations to pay for service rendered after the first filing. If subsequent requests for review are filed during the pendency of the first review, all designated disputed payments or portions thereof made after the first filing, shall be considered to be made into escrow.

14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLICA. Customer Complaint Procedure:

Company shall attempt to resolve all customer inquiries, requests and complaints during regular business hours.

If any complaint cannot be promptly resolved, the Company shall contact the customer within five (5) business days and at least once every fourteen (14) calendar days thereafter, and advise the customer regarding the status of the investigation until:

1. The complaint is mutually resolved; or
2. Company advises customer of the results of its investigation and final disposition of the matter; or
3. Customer files a written complaint with the Public Utilities Commission or the courts.

When the Minnesota Public Utilities Commission forwards a customer complaint to the Company, the Company shall notify the Commission within ten (10) business days regarding the status or disposition of the complaint.



## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLIC  
(Continued)B. Customer Information - Assistance of Company Agent:

The Company will offer to each new customer and make available to existing customers a Consumer Information Booklet which will provide a summary of the rules and regulations under which Company provides service and which will comply with the requirements of Minn. R. 7820.0200.

A complete set of these Rules and Regulations, as well as the Rate Schedules relating to the town border service of the Company are set forth in Company's Tariff. A copy of Company's Tariff as filed with and approved by the Minnesota Public Utilities Commission is available for inspection at the various offices of the Company where applications for service are received.

A customer will have access to its own billing, complaint, payment and deposit records and the Company will furnish additional information as the customer or applicant may reasonably request.

Upon request, the Company's agent in charge will assist any interested party in procuring information with reference thereto as may be desired. Where the Company's rate schedules provide optional rates for the same character of service, the customer shall select the rate schedule under which he elects to be billed and agrees to take service there under for a period of not less than one year. The Company will assist any customer or prospective customer to apply the Company's rate schedule, General Rules, Regulations, Terms and Conditions, and where optional schedules are available will advise such customer or prospective customer upon request as to the schedule appearing, upon information then available, to be most advantageous to the customer for the character of service to be taken.

C. Compliance with Rate Schedules:

In order to secure the benefit of any rate schedule, customer must use service for the purposes and in accordance with conditions specified in the schedule for such rate. A customer using service for purposes not permitted in rate schedule specified in service application shall be required to execute a new service application referring to the proper rate schedule. Company reserves the right to rebill for service rendered under the rate schedule applicable thereto for the period during which such service was in effect.

D. Oral Agreements:

Agents of the Company are not authorized to bind the Company except by a duly executed written instrument.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLIC  
(Continued)E. Customer Service Practice:

The Company makes every possible effort to maintain its natural gas delivery system in good operating condition and adheres to published codes that customer appliances are manufactured under approved safety standards for safe, reliable operations at all times. A staff of qualified service personnel is maintained by the Company to perform those services necessary to enforce this policy. The service department operates on a five-day week, Monday through Friday, normal business hours except holidays. Emergency service is available on a 24-hour per day basis at all other times. Services consist of two groups; work for which no charge is made to the customer, and work for which costs are charged to the customer on a time and material basis, as follows:

1. Services on Customer Premises at no Charge – With the exception of those services performed to reconnect customers who have been disconnected for non-payment of utility bills, no charge is made for the following:
  - a) Turning on the natural gas supply for customers moving to premises served with gas.
  - b) Turning off the natural gas supply for customers moving from premises served with gas.
  - c) Repairing or replacing Company-owned equipment on customers' premises, including the meter, house regulator or piping associated thereto.
  - d) Inspecting and investigating potentially hazardous gas supply conditions on customers' premises.
2. Chargeable Services on Customer Premises – All other services on the customer's premises are chargeable to the customer. This includes such items as lighting pilots; adjusting appliances; changes, modifications and repair of house piping and service lines; repair or replacement of controls and other appliance parts; and cleaning and inspecting customer owned gas burning devices for malfunctions.

F. Account History Charge

If an authorized party requests the Company to provide ~~more than 24 months~~ ~~12 months or more~~ of usage history for a non-Residential customer, the Company shall charge the authorized requesting party a fee of \$30 per account for providing the information.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

15. INFORMATION FROM CUSTOMERSA. Defective Equipment:

In case gas is found by customer to be escaping from any pipes or equipment in or about the customer's premises, the customer shall notify the Company immediately. Defective appliances shall be disconnected at once and properly repaired before using again. In case of interruption of service, customer shall notify the Company immediately.

B. Gas Load Analysis Data:

Each customer, upon request, shall furnish Company such reasonable data, as, in Company's judgment, is necessary for the proper analysis of the gas load requirements of the customer.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

16. CONTINUOUS SERVICE POLICYA. Priority of Service

Company will make every reasonable attempt to maintain continuous gas service to customers. The following priorities will be followed when operational and supply conditions require service interruptions with highest priorities listed first:

1. General Service Customers.
2. Small Volume Firm.
3. Large Volume Firm.
4. Transport for Resale Customers.
- ~~5.~~ 5. Joint Service Customers' Firm Capacity.
- ~~65.~~ 65. Small Volume Interruptible.
- ~~76.~~ 76. Large Volume Interruptible.

B. Curtailment of Service to Interruptible Customers

1. Standard Order of Curtailment: When in the opinion of the Company it becomes necessary to curtail or interrupt service to any of the Company's Interruptible Customers, such service shall be interrupted in the following order to protect deliveries to General Service Customers:

First: Large Volume Interruptible Customers.  
Second: Small Volume Interruptible Customers.

Company must comply with curtailment plans, orders, definitions and classifications as set out in Federal Energy Regulatory Commission Gas tariffs of wholesale pipeline suppliers and in the rules and orders of regulatory or governmental bodies having jurisdiction. Further, unless circumstances arise that make it impossible to avoid curtailment, the Company will not curtail the firm capacity of interruptible customers receiving service under a joint service rate until all available interruptible capacity has been curtailed.

2. Partial Curtailment: Where curtailment of only part of the deliveries of gas under similar interruptible classification is necessary, all customers under such classification will over a reasonable period of time, be treated alike so far as practicable.
3. Unauthorized Overrun Deterrent and Liquidated Damages Charge: In the event an interruptible customer takes any volume of gas in excess of authorized limitations ordered by the Company, the customer shall be billed an overrun deterrent and liquidated damages charge. Such charge shall be that amount set out in the rate schedule or contract and will be in addition to the normal rate for volumes consumed. The only exceptions shall be when the volumes were taken because of a force majeure operating situation of the customer as defined in his contract or rate schedule.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

16. CONTINUOUS SERVICE POLICY (Continued)B. Curtailment of Service to Interruptible Customers (Continued)3. Unauthorized Overrun Deterrent and Liquidated Damages Charge: (Continued)

The customer, in addition to taking all possible steps to stop such unauthorized takes of gas shall notify Company at once by phone or wire whenever a force majeure situation arises as a result of which the customer proposes to request waiver of the unauthorized overrun deterrent and liquidated damages charges, and shall furnish proof in writing satisfactory to Company, that such unauthorized gas volume takes were the direct result of such force majeure situation.

C. Emergency Repairs

The Company reserves the right to shut off gas at any time when such action is necessary for the purpose of making repairs or in case of any emergency. In such case, Company shall make every reasonable effort to restore service at the earliest practical moment. Any interruption of service will not relieve customer from any charges for service which has actually been rendered.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

17. TITLE

The Company warrants the title to the natural gas delivered and that it has good right and lawful authority to sell the same.

18. LIABILITY OF PARTIES

Unless otherwise defined in writing between the customer and the Company, with such writing duly filed and approved by the Commission, the Company and the customer each assume full responsibility and liability for the maintenance and operation of their respective properties and shall indemnify and save harmless the other party from all liability and expense on account of any and all damages, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party. Unless otherwise defined in writing between the customer and the Company, with such writing duly filed and approved by the Commission, the Company will use reasonable care to provide an uninterrupted and regular supply of service, and the Company shall not be liable for any losses, injuries or damages resulting from any interruption, disturbance, deficiency or imperfection of service unless and to the extent they are due to wilful misconduct or gross negligence on its part. In no event shall the Company be liable for any loss of profits or other consequential damages resulting from the use of service or from an interruption, disturbance, deficiency or imperfection of service.

The Company shall not be liable to the customer for its failure to deliver gas and the customer shall not be liable to the Company for its failure to receive gas when such failure on the part of either shall be due to accident to or breakage of pipelines, machinery or equipment, fires, floods, storms, weather conditions, strikes, riots, legal interferences, act of God or public enemy, shutdowns for necessary repairs and maintenance, failure or curtailment of gas supply or, without limitation by enumeration, any other cause beyond the reasonable control of the party failing to deliver or receive gas, as the case may be, provided such party shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to remove the cause of failure and resume the delivery or receipt of gas, as the case may be; provided, however, that if the customer fails to take and receive gas made available for delivery by Company, customer shall nonetheless be charged the minimum bill as provided for and defined in the Commission approved rate schedule under which customer is served. The Company shall not be liable for any loss, damage or injury whatsoever caused by leakage, escape or loss of gas after same has passed through the Company's meter herein defined as "point of delivery," nor for defects in the customer's piping or appliances. Neither shall the Company be liable for its failure to deliver gas when such failure shall be due to depletion of supply of gas at its source, curtailments or reallocations by regulatory authorities with jurisdiction, or the inability to maintain capacity to meet gas requirements hereunder at the time.

It is the customer's responsibility to provide and maintain in good working order all pipes and valves to take the gas from the said meter, and all equipment used in the burning of the said gas, and shall also provide and maintain in good working order all vents necessary to efficiently take all gas fumes (including unburned gas, if any) to the outside air.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

19. GOVERNMENTAL ACTION AND AUTHORITY:A. Regulatory Action

The purchase and sale of gas by the Company is subject to all valid legislation with respect thereto and to all valid present and future orders, rules and regulations of duly constituted authorities having jurisdiction. The Company reserves the right to make and to file with any and all duly constituted authorities having jurisdiction, changes in terms and conditions of service or new terms and conditions including, but not limited to, changes in rates or new rates.

The Company shall permit the staff of duly constituted authorities having jurisdiction to inspect during regular business hours, all of the Company's operations and records relating to customer service in Minnesota.

B. War and National Defense

During any period in which a state of war exists between the United States and any foreign power, both customer and the Company shall recognize that the national defense is paramount to any contractual obligations then existing between them and notwithstanding the provisions of any such contract, neither shall assert, nor be required to assume, any obligation which is inconsistent with or contrary to any governmental policy, rule, regulation or order made, issued or promulgated in the promotion thereof.

20. ALTERATIONS OF RULES AND REGULATIONS

No agent or employee has the right to modify or alter the application, rates, terms and conditions of these rules and regulations or the tariff of which they comprise a part or to make any promises or representations not contained herein or in supplements and revisions hereto, except by following the regular procedures for tariff changes as specified by the Minnesota Department of Commerce.

Issued By: Theodore Eidukas ~~DM Derrieks~~  
Vice President-Regulatory Affairs  
Submittal Date: ~~September 30, 2015~~November 30, 2016

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\*Effective with bills issued on and after this date.

## EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINESA. Applications and Permits

1. Applications for natural gas service are required for the services set forth hereunder. Connection of load subject to application without proper approval will be cause for disconnection or suspension of service pursuant to Designation 9.A.3 of these Rules and Regulations.
  - (a) New residential service except as exempted in A.2 below.
  - (b) Residential heating conversion from another fuel or expansion of peak heating requirements except as exempted in A.2 below.
  - (c) Commercial service, new and expanded requirements except as exempted in A.2 below.
  - (d) Industrial service - new and expanded requirements.
2. Applications for natural gas service are not required for:
  - (a) Additions to base load appliances for clothes drying, water heating and cooking.
  - (b) Additions of less than 50,000 BTU/hour in domestic heating loads over the heating load approved and connected to Company's distribution system as of May 10, 1977.
3. Applicants for service must agree to comply with all provisions of the main and service line extension policy described in Section IX.2 of this tariff.
4. All applications will be reviewed by Company's management and shall be processed in the following manner:
  - (a) Approved.
  - (b) Denied.
  - (c) Retained for future use, subject to cancellation by applicant.
5. Subject to the other requirements of the tariff, the Company reserves the right to suspend the issuance of permits for gas service on the basis of Company's sole judgment with respect to present and future connection factors and conditions.

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## EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINES (Continued)B. Applications Which Will be Considered for Attachment1. New Service:

## (a) Residential Customers Based on the Following Conditions:

(i) Natural gas will be used for approved residential purposes in a single family and/or multifamily dwelling when individually metered, or master metered dwelling units where either a) or b) below prevent individual metering of service.

a) Gas is used in centralized heating, cooling, water heating or ventilation units.

b) Where individual metering is impractical, unreasonable, or uneconomical.

(ii) If an alternate form of energy other than solar is used for heating, it must provide 100% of peak day heating requirements.

(iii) Application approvals will be based on the date of pending applications, providing the above conditions are met and appropriate certifications are provided by owner.

## (b) Firm Commercial and Industrial Service Based on the Following Conditions:

(i) Natural gas will be used for approved commercial and industrial purposes. This excludes gas used for irrigation, alfalfa dehydration and grain drying.

(ii) Customer's total requirement must be less than 200 dekatherms on a peak day.

(iii) If an alternate form of energy other than solar is used, it must provide 100% of peak day heating requirement.

(iv) Customer must comply with heat loss or insulation standards established by Federal or State mandate or as Company may establish in its tariff.

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## EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINES (Continued)B. Applications Which Will Be Considered for Attachment (Continued)1. New Service: (Continued)

## (c) Interruptible Service Based on the Following Conditions:

- (i) Company determines that the anticipated revenue from the new load is sufficient to prevent undue burden on existing ratepayers and conditions justify such service.
- (ii) Load to be connected must not be prohibited by the connection policy of the pipeline supplier or be in violation of any end use standards promulgated by State or Federal agencies.
- (iii) Applicants for service must agree to comply with all provisions of the service line extension policy described in Section IX.2 of this tariff.

## (d) Rural and Agricultural service to Right-of-Way Grantors in accordance with easement agreements executed with the supplier under the following conditions:

- (i) Applications for service must refer to and be based upon an easement clause which grants a right to a tap on the pipeline constructed pursuant to the easement.
- (ii) Applicant must be the Grantor of the easement, or his successor or assignee.
- (iii) The pipeline tap must be on a part of the property described in the easement.
- (iv) The right to the tap set forth in the easement may not have been previously exercised.
- (v) The volume of gas to be delivered through the tap may not exceed the smaller of the capacity of the initially installed small volume meter or the limits established by the wholesale supplier for small volume users.
- (vi) Supplier must obtain requisite regulatory authority to make the sale.

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EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINES (Continued)

B. Applications Which Will Be Considered for Attachment (Continued)

1. New Service: (Continued)

(vii) Gas delivered through the tap will not be resold to others by the Applicant or any of his successors.

(viii) Gas delivered will not be used for such commercial services as grain drying.

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## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICESA. Residential Stand-Alone Service Extensions

For residential services added in an existing service area where no main extension is required and no prior feasibility study or Customer Extension Model included the proposed service line, Company will, without requiring a contribution in aid of construction (CIAC), provide 75 feet of service line to a permanent structure ~~using gas for primary space heating~~, as measured from the customer's property line and subject to Company operating standards. Service line extensions beyond 75 feet will require a CIAC, which shall be determined based on the incremental cost of the additional footage, not to exceed \$5.00 per foot. The actual per-foot installation cost is renegotiated annually through a competitive bidding process. Commercial and industrial customers do not receive a service extension allowance.

~~For residential service extensions to a structure that does not use gas for primary space heating, the Company will complete a Customer Extension Model described in paragraph C to determine the amount of any required CIAC.~~

If abnormal conditions, such as rock, make it impractical in the Company's opinion to install a gas service line and at the same time satisfy all safety requirements, the Company may refuse to install a gas service line to the premises. Where such a situation exists and it is possible to install a gas service line by special design or extra construction and such gas service line can be installed safely, the Company will design and install the gas service line to suit the particular circumstances, provided the following conditions are met:

- (a) The design, arrangement, and location of the gas service line are accepted and approved by the applicant; and
- (b) The applicant agrees to pay the Company for all abnormal construction costs including the cost of casing, if required.

The Company will conduct a Customer Extension Model described in paragraph C to determine abnormal construction costs.

Once the Company waives any contribution by new customers for main and service extension costs, the Company cannot at any time recover these costs from existing ratepayers.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)B. Main and Service Extensions

For residential customers where both a main and service extension is required and for all extensions to serve commercial and industrial customers, regardless of whether a main extension is involved, the Company will complete a Customer Extension Model as described in paragraph C to determine the amount of any required CIAC. At its option, the Company may recover the amount of the CIAC from the developer or directly from the customer. When longer than typical service lines are omitted from the Customer Extension Model for a particular development, the Company shall determine the CIAC for the individual, longer service lines based on the incremental cost of the additional footage in excess of the typical footage used in the study for that development and shall recover the CIAC from the individual customer served by the longer service line.

If abnormal conditions, such as rock, make it impractical in the Company's opinion to install a gas service line and at the same time satisfy all safety requirements, the Company may refuse to install a gas service line to the premises. Where such a situation exists and it is possible to install a gas service line by special design or extra construction and such gas service line can be installed safely, the Company will design and install the gas service line to suit the particular circumstances, provided the following conditions are met:

- (a) The design, arrangement, and location of the gas service line are accepted and approved by the applicant; and
- (b) The applicant agrees to pay the Company for all abnormal construction costs including the cost of casing, if required.

The Company will conduct a Customer Extension Model described in paragraph C to determine abnormal construction costs.

Once the Company waives any contribution by new customers for main and service extension costs, the Company cannot at any time recover these costs from existing ratepayers.

C. Customers Contribution in Aid of Construction (CIAC) Calculation for Mains and Services

In determining whether a customer owes a CIAC, the Company shall take into consideration the total cost of serving the applicant including, but not limited to, the total investment, including mains and service related investment, the annual volume of gas to be sold, operating and maintaining expenses, margin, the acceptable level of return on the required investment, and potential for additional sales through the new facility. The specific uniform factors used by the Company in completing a Customer Extension Model along with a description of the current Customer Extension Model are contained as an exhibit to the General Rules, Regulations, Terms and Conditions portion of this tariff. The Company will not use other uniform factors or change the Customer Extension Model without filing an amended exhibit. Company will apply the general principal that the rendering of service to the applicant shall not result in undue burden on the other customer. If a CIAC is required, it will be based on the results of the Customer Extension Model.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)D. Winter Construction Charge

When the service or main is installed between December 1 and April 1, inclusive, because of failure of customer to meet all requirements of the Company by November 30 or because the customer's property, or the streets leading thereto, are not ready to receive the service pipe or gas main by such date, the anticipated winter construction charges will be included in determining the feasibility and any necessary CIAC. Such work will be subject to a base winter construction charge on all ditch footages, as an adder, and applies to any plowing, trenching, boring, or bell holes.

In addition to the base winter construction charge, a frost charge will be assessed by the Company for those portions of main or service lines where twelve or more inches of frost exists. The frost charge is not included on boring lengths but can apply to open trench and send or receive holes for bores. When twelve inches or more of frost exists outside the Winter Construction period, the frost charge may be applied as an expense due to abnormal conditions pursuant to Sheet No. 9.04 or Sheet No. 9.05. Included within the base winter construction charge and the frost charge are the use of any thawing devices or other equipment required to install as needed.

The winter construction charge shall be equal to costs in excess of normal summer construction costs. Winter construction will not be undertaken by the Company where prohibited by law or where it is not practical to install gas main or gas service pipe during the winter season. The Company may reduce winter construction charges only to the extent the Company incurs a corresponding reduction in costs to install facilities during the winter construction period. The same charge reductions will be offered to all similarly situated customers. The Company may not assess customers more than the tariffed winter construction charge(s). Current winter construction charges are as follows:

- Winter Construction Charge: \$5.50 (7 County Metro), \$4.96 (out-state) per lineal foot;
- Frost Charge: \$6.05 (7 County Metro), \$5.77 (out-state) per lineal foot.

Bell Holes: When it is necessary to use thawing devices in order to excavate the bell hole, or locate other utility crossings, there will be a one-time charge of \$279.90 regardless of the number of thawing devices required.

E. Extension of Mains - Limitations

The Company reserves the right to refuse to install its facilities in or to any lot, tract or area if in the Company's judgment it is not economically feasible per the tariffed Customer Extension Model, is not safe for the Company's personnel, the customer, or the general public, or the lot, tract, or area is located remotely from the Company's other general service areas such that effective service, operations, or emergency response capabilities are impacted.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)F. Title To Facilities

Title to all facilities herein provided for, together with all necessary right-of-way, permits and easements shall be and remain in the Company. As a condition of receiving service, the customer shall grant to the Company, without cost, all rights-of-way, easements, permits and privileges which are necessary for the rendering of gas service.

G. ExhibitsMethod:

A standard Customer Extension Model will be used that is designated to calculate the total revenue requirement for each year of the average service life of the plant installed. The model will compare the total revenue requirements for each year with the retail revenues generated from customers served (actual and/or expected) by the project to determine if a revenue deficiency or revenue excess exists. The calculation of retail revenues generated shall not include the Conservation Cost Recovery Charge (CCRC). The calculation of the revenue requirement for residential customers shall exclude the cost of up to a 75 foot service line. The calculation of revenue requirement for commercial and industrial customers shall include the cost of required service line extension.

The Net Present Value (NPV) of the yearly revenue deficiencies or excesses will be calculated using a discount rate equal to the approved overall rate of return authorized in the most recent general rate proceeding. A total NPV of approximately zero (\$0) will show a project is self-supporting.

Customer Extension ModelDefinitions:

All terms describe contents and general operation of the Customer Extension Model used to determine whether a CIAC is required from a customer(s).

- 1) Time Period: Twelve (12) month calendar interval, which is one year of the project life. The year in which the project is constructed is designated as year 0.
- 2) Year.
- 3) Gross Plant Investment: Cumulative plant in service at the end of the year reduced by the net present value of the CIAC in year 0. Plant in service shall be all capitalized costs incurred to provide or capable of providing utility service to the consuming public. Capitalized costs will include items such as pipeline interconnects, pressure regulating facilities, measurement and instrumentation, lateral delivery lines, distribution mains, mapping, customer service lines, meters and regulators.
- 4) Accumulated Depreciation Reserve: Book depreciation for the current year plus all previous years.
- 5) Net Plant In Service: The difference between Gross Plant Investment and Accumulated Depreciation Reserve.
- 6) Average Net Plant.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)G. Exhibits (Continued)

- 7) Average Accumulated Deferred Income Taxes: The average of the beginning and the end of the year accumulated deferred income tax. Accumulated deferred income tax (ADIT) consists of two components: accumulated deferred income taxes on depreciation and accumulated deferred income taxes on the CIAC. At the end of the service life of the plant installed the balance of ADIT will be zero.
- 8) Average Rate Base: Total of Average Net Plant plus Average Accumulated Deferred Income Taxes.
- 9) Allowed Return: Allowed Rate of Return as determined in the Company's most recent general rate proceeding.
- The Allowed Rate of Return multiplied by the Average Rate Base equals the Allowed Return.
- 10) Book Depreciation: The straight line cost recovery of the life of the assets for Gross Plant Investment. The depreciation factor used is based on a weighted average of depreciation rates used in Company's most recent general rate proceeding.
- 11) O & M Expense: In any year shall be based on average incremental cost per customer. The cost per customer will include provisions for incremental distribution and customer accounting expenses. The calculation is average customers multiplied by incremental cost per customer.
- 12) Property Tax: In any year shall be a factor of the gross plant investment (after the CIAC). The factor is based on historical experiences of actual taxes paid as a percentage of gross plant.
- 13) Total Revenue Requirement: Total of Allowed Return, Book Depreciation, O & M Expenses, and Property Tax.
- 14) Retail Revenue: This amount represents the retail revenue generated by multiplying the various retail billing rates (basic charge and delivery charge) approved in the Company's most recent general rate case proceeding by the expected average annual number of customers connected to the project each year.
- 15) Revenue Excess or (Deficiency): Revenue excess or deficiency is the difference between the Total Revenue Requirement and the amount of Retail Revenue. Excess occurs when the Total Revenue Requirement in a given year is less than the total Retail Revenue generated. Deficiency occurs when the Total Revenue Requirement in a given year is more than the total Retail Revenue generated.
- 16) Present Value of Cash Flows: The cash flows that produce either revenue excesses or deficiencies are discounted to a present value using a discount rate equal to the approved overall rate of return established in the most recent general rate proceeding.
- The model will determine what the CIAC would be for a customer in order for the sum of the present value calculations over the life of the project is zero, or as close to zero as possible, the model demonstrates that the project is "self-supporting." That is, the customer's CIAC is the proper amount of customer-contributed capital necessary to support the project at the projected level of retail revenues.

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Vice President-Regulatory Affairs

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## EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDERAvailability:

Service under this rate schedule is available only to geographical areas that have not previously been served by the Company. This rate schedule will enable natural gas service to be extended to areas where the cost would otherwise have been prohibitive under the Company's present rate and service extension policy. Nothing in this rate schedule shall obligate the Company to extend natural gas service to any area. Rather, the New Area Surcharge will be used and implemented at the Company's discretion.

Applicability and Character of Service:

All customers on this rate shall receive service according to the terms and conditions of one of the Company's gas tariff services.

Rate:

As authorized by the MPUC, the total billing rate for any customer class will be the approved rate for that customer class plus a fixed monthly new area surcharge. All customers in the same rate class will be billed the same surcharge. The net present value of the new area surcharge will be treated as a Contribution-in-Aid-of-Construction for accounting and ratemaking purposes. The new area surcharge calculation includes the full life of all plant additions.

Method:

A standard model will be used that is designated to calculate the total revenue requirement for each year of the average service life of the plant installed. The model will compare the total revenue requirements for each year with the retail revenues generated from customers served (actual and/or expected) by the project to determine if a revenue deficiency or revenue excess exists.

The Net Present Value (NPV) of the yearly revenue deficiencies or excesses will be calculated using a discount rate equal to the cost of long-term debt authorized in the most recent general rate proceeding. Projected customer CIAC surcharge revenues are then introduced into the model and the resultant NPV calculation is made to decide if the project is self supporting. A total NPV of approximately zero (\$0) will show a project is self supporting.

The model will be run each year after the initial construction phase of a project wherein actual amounts for certain variables will be substituted for projected values to track recovery of expansion costs and the potential to end the customer surcharge before the full term. The variables, which will be updated in the model, each year will be:

1. The actual capital costs and projected remaining capital costs for the project,
2. Number of customers used to calculate the surcharge revenue and the retail margin revenue, and
3. The actual surcharge and retail revenue received to date and the projected surcharge and retail revenue for the remaining term of the surcharge.

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## EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDER (Continued)Term:

The term of service under this rate schedule shall vary from area to area depending on the service extension project. However, under no circumstances shall the surcharge applicable to any project remain in effect for a term to exceed thirty (30) years. The Company assumes the risk for under recovery of expansion costs, if any, which may remain at the end of the maximum surcharge term.

Expiration:

The surcharge for all customers in an area subject to the New Area Surcharge Rider shall end on the date specified for the project tariff, on the date the approved revenue deficiency is retired, or at the end of thirty (30) years, whichever occurs first.

Revenue Requirements ModelDefinitions:

All terms describe contents and general operation of the Revenue Requirements Model used to determine a New Area Surcharge Rider for a project.

**Column/Description**

- 1) Time Period: Twelve (12) month calendar interval, which is one year of the project life. The year in which the project is constructed is designated as year 0.
- 2) Year.
- 3) Gross Plant Investment: Cumulative plant in service at the end of the year reduced by the net present value of surcharge revenues in year 0. The discount rate used for this present value calculation is the cost of long-term debt from the Company's most recent rate case. Plant in service shall be all capitalized costs incurred to provide or capable of providing utility service to the consuming public, but excluding the cost of service lines. Capitalized costs will include items such as pipeline interconnects, pressure regulating facilities, measurement and instrumentation, lateral delivery lines, distribution mains, mapping, customer service lines, meters and regulators.
- 4) Accumulated Depreciation Reserve: Book depreciation for the current year plus all previous years.
- 5) Net Plant In Service: The difference between Gross Plant Investment (Column 3) and Accumulated Depreciation Reserve (Column 4).
- 6) Average Net Plant: Average of Column 5.
- 7) Average Accumulated Deferred Income Taxes: The average of the beginning and the end of the year accumulated deferred income tax. Accumulated deferred income tax (ADIT) consists of two components: accumulated deferred income taxes on depreciation and accumulated deferred income taxes on contribution in aid of construction. At the end of the service life of the plant installed the balance of ADIT will be zero.

EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDER (Continued)

8) Average Rate Base: Total of Average Net Plant (Column 6) plus Average Accumulated Deferred Income Taxes (Column 7).

9) Allowed Return: Derived from the Company’s most recent general rate proceeding:

Equity Ratio	X	Return on Equity	X	(1+Tax Rate)	=	Weighted Cost
Long Term Debt Ratio	X	Debt Cost	X		=	Weighted Cost
Short Term Debt Ratio	X	Debt Cost	X		=	Weighted Cost
						Allowed Rate of Return

The Allowed Rate of Return multiplied by the Average Rate Base (Column 8) equals the Allowed Return.

10) Book Depreciation: The straight line cost recovery of the life of the assets for Gross Plant Investment defined in Column (3). The depreciation factor used is based on a weighted average of depreciation rates used in Company’s most recent general rate proceeding.

11) O & M Expense: In any year shall be based on average incremental cost per customer. The cost per customer will include provisions for incremental distribution and customer accounting expenses. The calculation is average customers multiplied by incremental cost per customer.

12) Property Tax: In any year shall be a factor of the gross plant investment (after contribution-in-aid-of-construction). The factor is based on historical experiences of actual taxes paid as a percentage of gross plant.

13) Total Revenue Requirement: Total of Allowed Return (Column 9), Book Depreciation (Column 10), O & M Expenses (Column 11), and Property Tax (Column 12).

14) Retail Revenue: This amount represents the retail revenue generated by multiplying the various retail billing rates (basic charge and delivery charge, excluding the Conservation Cost Recovery Charge) approved in the Company's most recent general rate case proceeding by the expected average annual number of customers connected to the project each year.

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EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDER (Continued)

15) Revenue Excess or (Deficiency): Revenue excess or deficiency is the difference between the Total Revenue Requirement (Column 13) and the amount of Retail Revenue (Column 14). Excess occurs when the Total Revenue Requirement in a given year is less than the total Retail Revenue generated. Deficiency occurs when the Total Revenue Requirement in a given year is more than the total Retail Revenue generated.

16) Present Value of Cash Flows: The cash flows that produce either revenue excesses or deficiencies (Column 15) are discounted to a present value using a discount rate equal to the cost of long-term debt established in the most recent general rate proceeding.

If the sum of the present value calculations over the life of the project is zero, or as close to zero as possible, the model demonstrates that the project is “self supporting.” That is, the customer CIAC surcharge is the proper amount of customer contributed capital necessary to support the project at the projected (or actual) level of retail revenues.

Surcharge Rider Rates:

A surcharge as designated will be included in the monthly bills of the following Minnesota geographical areas:

<b>Ely Lake Project 20 Year New Area Surcharge Expires 2034</b>	
Residential	\$25.45
Existing Small Commercial	\$25.45

<b>Detroit Lakes—Long Lake Project 15 Year New Area Surcharge Expires 2030</b>	
Residential	\$19.16
Small Commercial/Interruptible	\$36.30

<b>Fayal Township—Long Lake Project 20 Year New Area Surcharge Expires 2036</b>	
Residential	\$21.16
Small Commercial/Industrial	\$40.09

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Copies of the official tariff sheets are available at offices providing service under the tariffs, and at the offices of the Minnesota Public Utility Commission (“Commission”). The information available here attempts to be materially the same, but should there be any conflicts or discrepancies, in all cases the official tariffs on file with the Commission will take precedence over these documents.

**DOCUMENTS INCLUDED IN THIS FILE:**

**MERC**

Joint <del>Affidavit</del> <u>Certification</u> for Firm Transportation Customers	2
Small Volume Interruptible Natural Gas Sales Agreement	4
Small Volume Transportation Service Agreement	7
Small Volume Balancing Service Addendum to Gas Transportation <u>Service</u> Agreement	12
Small Volume Balancing Services Agreement	14
Small Joint Firm/Interruptible Natural Gas Sales Agreement	15
<del>L</del> <u>Large Volume Interruptible Natural Gas Sales Agreement</u>	<u>18</u>
Large Volume Transportation Service Agreement	<u>1821</u>
Large Joint Firm/Interruptible Gas Sales Agreement	23
<del>Super Large Volume Transportation Service Agreement</del>	<del>27</del>
<del>Firm Backup Sales Service Agreement</del>	<del>32</del>
Large Volume Balancing Service Addendum to Large Volume Transportation Service Agreement	<u>3530</u>
<u>Super Large Volume Transportation Service Agreement</u>	<u>3231</u>



Minnesota Energy Resources Corporation
JOINT AFFIDAVIT FOR CERTIFICATION FOR FIRM TRANSPORTATION CUSTOMERS

STATE OF
COUNTY OF

[Name of individual signing for Customer], [position], of [Customer name] ("Customer") and [name of individual signing for Marketer], [position], of [Marketer name] ("Marketer"), being duly sworn according to law depose and state certify and agree as follows:

- 1. Customer and Marketer represent to Minnesota Energy Resources Corporation ("MERC" or "Company") that one or both of them have and will maintain, or will have and maintain at all relevant times, firm transportation rights on transporting pipelines upstream of Company's natural gas distribution system in (Minnesota) to deliver on a firm basis all volumes of gas to Company for Customer's accounts identified on Exhibit "A" attached hereto.
2. In the event any such firm transportation rights are terminated or limited in any manner so that Customer and Marketer are unable to deliver gas to Company's natural gas distribution system as provided above, then Customer and Marketer shall immediately notify Company in writing sent by facsimile to the following number:
3. Customer and Marketer shall jointly and severally indemnify and hold Company harmless from all suits, actions, claims, debts, liabilities, accounts, damages, costs, losses, penalties and expenses (including attorney's fees and court costs) arising out of the failure of Customer and Marketer to maintain, or cause to be maintained, the firm transportation rights described herein.
4. This Affidavit Certification shall be governed and construed in accordance with the laws of the State of Minnesota.
5. [Name of individual signing for Customer] warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Customer and that execution of this Certification serves to bind Customer.
6. [Name of individual signing for Marketer] warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Marketer and that execution of this Certification serves to bind Marketer.
7. This Certification may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same agreement, and may be executed and delivered by facsimile signature, which shall be considered an original.

Marketer Name

Customer Name

By:

By:

Title:

Title:



Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by  
\_\_\_\_\_  
\_\_\_\_\_ on behalf of \_\_\_\_\_ (Customer) and  
\_\_\_\_\_ on behalf of \_\_\_\_\_ (Marketer):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Notary Public

My Commission Expires: \_\_\_\_\_



**Exhibit "A"**  
**Customer Firm Accounts**



**SMALL VOLUME INTERRUPTIBLE  
NATURAL GAS SALES AGREEMENT**  
**(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and customer hereby agrees to purchase and receive natural gas on an interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company’s ~~rate schedule~~ \_\_\_\_\_ ~~(attached as Exhibit A) Tariffs~~ and the applicable ~~tariff rules~~, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the ~~appropriate regulatory authority in the State of~~ Minnesota Public Utility Commission, as ~~effectively~~ modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company’s ~~State~~ office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Interruptible Nature of Sale.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means off alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. Customer’s ~~usage of unauthorized volumes agrees to pay an overrun deterrent and liquidated damages charge of \$20.00 per dekatherm for such unauthorized volumes is subject to penalties for unauthorized use in accordance with Company’s tariffs.~~ Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a *force majeure* operating situation. A *force majeure* operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a *force majeure* operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the *force majeure* operating situation.



The payment for unauthorized volumes shall not give Customer the right to take unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_\_\_, and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at PO Box 455, 2665 145<sup>th</sup> Street West, Rosemount, MN 55068-0455 Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401 and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.



8. **Succession and Assignment.** This Agreement and each of its terms shall bind and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

Minnesota Energy Resources Corporation (“MERC”)

\_\_\_\_\_  
*(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





**SMALL VOLUME TRANSPORTATION  
SERVICE AGREEMENT**

**(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service will be provided on a firm basis and contingent upon adequate system capacity only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint affidavit-certification confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capability and adequate fuel supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 et seq. through 6.09 and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff -on file with the Minnesota Public Utilities Commission (“MPUCCommission”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. All Small Volume Transportation Customers must install telemetry equipment or purchase the Small Volume Customer Balancing Service provided in Company’s Tariff. Customer shall reimburse Company for the costs incurred by Company to install telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.

3. **Charges:** Customer shall be responsible for and shall pay to Company the



~~following charges for the periods indicated or as otherwise applicable~~ charges as set forth in its Tariffs.:

Customer Charge: \$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the ~~MPUC~~ Commission from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer’s regular sales tariff schedule in Sheet 7.07, Column F.

Commodity Charge: All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company’s rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company’s Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the ~~MPUC~~ Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company’s sales tariff schedule.

Optional Services: The following services, described in Company’s Tariff sheet 6.07 and 6.08, are available at Customer’s option:

- ~~Firm Backup Sales Service~~
- Small Volume Balancing Service
- Aggregation Service

Customer has initialed which of the above listed optional services, if any, are desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company’s Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ (\_\_\_) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.



5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra-day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$20-50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (See Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing



as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

11. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC")	Company:
Attention:	Attention:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:

12. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC Commission and any other



regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

13. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

~~(a) the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;~~

(a) the risk that Customer may incur penalties for usage of unauthorized ~~takes~~ volumes described in the Company’s Tariffs in Section 134 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and

(eb) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

14. **Entire Agreement:** This Agreement and Company’s Tariffs constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**(“MERC”)**

**“Customer”**

\_\_\_\_\_  
(print name)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



## SMALL VOLUME BALANCING SERVICES AGREEMENT

(Minnesota)

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer and Company have entered into a Small Volume Transportation Service Agreement; and

WHEREAS, Customer desires Company to provide a daily balancing service; and

WHEREAS, Company is willing to provide such service pursuant to the terms and conditions provided below.

NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, the parties agree as follows:

1. **Availability.** Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company’s Small Volume Balancing Service in lieu of meeting Company Tariff requirements for the installation of telemetry and daily scheduling requirements. Customer represents that it meets the service availability requirements for balancing services under this Agreement.
2. **Nominations.** Customer must submit a daily nomination to Company on the days the balancing services are used. Such nominations shall be made as provided in Company’s tariff.
3. **MDQ Requirements; Penalties.** Under certain circumstances described below, Company may, at its option, require Customer to deliver its MDQ to the Receipt Point up to a cumulative 20 days during the months of November through March. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that the interstate pipeline calls a “Critical Day” or “Operational Flow Order,” Customer must, without notice from Company, deliver its MDQ to the Receipt Point. In the event that Company calls a Critical Day or issues an Operational Flow Order, Company will notify Customer via fax that Customer must deliver its MDQ to the Receipt Point. Company will provide Customer with at least 25 ~~hours notice~~ hours’ notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to Customer, that Customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order.

If Customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order or the Company has called a Critical Day, then Company shall assess a penalty to Customer for each dekatherm that Customer failed to deliver in an amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate



pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow Order and Customer fails to deliver its MDQ, then Company will assess a penalty to Customer in an amount equal to that identified in Sheet 6.09 of Company’s Tariff for each dekatherm that Customer failed to deliver.

4. **Definitions.** Capitalized terms not otherwise defined herein shall have the definitions ascribed to them in Company’s Tariff. A “Critical Day”, when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s Tariff and, when called by Company, is defined as any day during which, in the sole judgment of Company, service is limited due to capacity constraints, operational problems or any other cause. Service limitations include, but are not limited to, curtailment or interruption. A Critical Day may be declared with respect to any one or more delivery and/or receipt points. An “Operational Flow Order,” when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s tariff and, when called by Company is defined as notice issued by Company to Customer requiring the delivery of specified quantities of gas to Company for the account of Customer at times deemed necessary by Company to maintain system integrity and to assure continued service. An Operational Flow Order may be issued to the smallest affected area. For example, a single receipt point, receipt points on a pipeline or the entire system. Notwithstanding anything herein to the contrary, Company may curtail Customer with respect to the Interruptible MDQ only.

5. **Fee.** Customer shall pay Company 7.0¢ per dekatherm transported by Customer on Company’s system for this balancing service.

6. **Term.** The term of this Agreement shall commence \_\_\_\_\_, 20\_\_\_\_, and continue until terminated by either party upon thirty (30) days prior written notice to the other party.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

**Minnesota Energy Resources Corporation**  
(“MERC”)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



ELECTION OF SMALL VOLUME BALANCING SERVICE
ADDENDUM TO
GAS TRANSPORTATION AGREEMENT
(MINNESOTA)

This Addendum is made and entered into as of the \_\_\_ day of \_\_\_, \_\_\_, by and between Minnesota Energy Resources Corporation ("MERC" or "Company"), and \_\_\_ ("Customer"), and provides for an election of a Small Volume Balancing Service.

WHEREAS, Company and Customer have entered into a Gas Transportation Agreement dated \_\_\_, \_\_\_ (the "Agreement") and now desire to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein, the parties hereto agree and acknowledge their execution of that Agreement and desire and agree that the following terms shall become a part of the Agreement by this Addendum as if originally included in the Agreement.

1. Election of Company's Small Volume Balancing Service

Customer may elect and agree to the Small Volume Balancing Service as set forth in Company's Gas Tariff, Sheet No. 6.08, on file with the Minnesota Public Service Commission, as indicated below:

- \_\_\_ Customer elects to participate in Company's Small Volume Customer Balancing Service
\_\_\_ Customer declines participation in Company's Small Volume Customer Balancing Service

If Customer declines participation in Company's Small Volume Customer Balancing Service, Customer understands and agrees that it shall be subject to and responsible for all balancing and scheduling charges and penalties contained in Company's tariff, as the same may be amended from time to time. In addition, Customer shall reimburse and indemnify Company for all costs incurred by Company from the interstate pipeline transporter on Customer's behalf.

2. This Addendum shall commence on the date written above and shall remain in effect through the same term stated in Customer's Gas Transportation Agreement referenced above.

3. As amended by this Addendum, the Agreement is ratified and remains in full force and effect.

4. All charges, including, but not limited to, the Fixed Rate, Demand Charge, Commodity Charge, and all terms and conditions applicable to this Small Volume Balancing Service set forth in Company's Gas Tariff, remain in full force and effect.

5. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the Agreement, and the terms and provisions of Company's Tariff, the terms and provisions of Company's Tariff shall control.

The parties have executed this Agreement as evidenced by their signatures below.

Minnesota Energy Resources Corporation ("MERC") <Customer Name Here>
Account #: \_\_\_\_\_

By: \_\_\_\_\_
Title: \_\_\_\_\_

By: \_\_\_\_\_
Title: \_\_\_\_\_





**SMALL JOINT FIRM/INTERRUPTIBLE  
NATURAL GAS SALES AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and \_\_\_\_\_ ("Customer").

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and Customer hereby agrees to purchase and receive natural gas on a joint service firm-interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_.

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's ~~Rate Schedule~~ \_\_\_\_\_ ~~Tariffs~~ ~~(attached as Exhibit A)~~ and ~~the applicable tariff rules,~~ the applicable regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with ~~the appropriate regulatory authority~~ the Minnesota Public Utilities Commission ~~in the State of Minnesota,~~ as ~~effectively~~ modified from time to time by Company. Customer may inspect or obtain a copy of such rates, rules, regulations, terms and conditions upon demand directed to Company's ~~State~~ office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Nature of Sales Joint Firm/Interruptible Service.**

(a) **Firm Gas ("Contract Demand Volumes").** The daily contract demand volume of firm gas to be delivered hereunder shall be \_\_\_\_\_ **dekatherms** and shall be the maximum volume of gas Company is obligated to deliver to the customer on any billing day.

(b) **Interruptible Gas.** On any given day customer may purchase volumes of gas in excess of the Firm gas volume in (a) above, when such additional volumes are available.

(c) **Curtailement.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of Interruptible Gas (b) above and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means of alternate energy utilization equipment which is in place and operable.

If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of



Company's Tariff) or \$50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. Customer's usage of unauthorized volumes agrees to pay an overrun deterrent and liquidated damages charge of \$20.00 per dekatherm for such unauthorized volumes subject to penalties for unauthorized use in accordance with Company's tariffs. A force majeure operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a force majeure operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the force majeure operating situation. The payment for unauthorized volumes shall not give Customer the right to take unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of Service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective \_\_\_\_\_ and shall continue in effect until \_\_\_\_\_ and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Joint Service.** Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee



may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401 2665 ~~145<sup>th</sup> Street West, P.O. Box 455, Rosemount, MN 55068~~ and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Name of Person to be Notified: \_\_\_\_\_  
Title of Person to be Notified: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**("MERC")**

Customer

\_\_\_\_\_  
*(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



**LARGE VOLUME INTERRUPTIBLE  
NATURAL GAS SALES AGREEMENT**

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and customer hereby agrees to purchase and receive natural gas on an interruptible basis at the location and for the specific uses designated as follows:

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance in accordance with Company’s Tariffs and the applicable, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utilities Commission, as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company’s office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Interruptible Nature of Sale.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means off alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. usage of unauthorized volumes is subject to penalties for unauthorized use in accordance with Company’s tariffs. Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a *force majeure* operating situation. A *force majeure* operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a *force majeure* operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the *force majeure* operating situation.

The payment for unauthorized volumes shall not give Customer the right to take



unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_\_\_, and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401, and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind



and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

Minnesota Energy Resources Corporation (“MERC”)

(print name)

By:

By:

Title:

Title:

Date:

Date:



**LARGE VOLUME TRANSPORTATION  
SERVICE AGREEMENT  
(Minnesota)**

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service hereunder shall be offered on an interruptible or joint firm/interruptible basis. Service will be provided on a firm basis contingent upon adequate system capacity and only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint certification affidavit confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capacity and adequate full supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 ~~et seq. through 6.09~~ and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“MPUCC Commission”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed ~~no later than 90 days after prior to~~ the commencement of natural gas service to Customer. ~~Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherms, may request, in writing, a waiver of the telemetry requirements.~~



3. Charges: Customer shall be responsible for and shall pay to Company the charges as set-forth in its Tariffs for the periods indicated or as otherwise applicable:

Customer Charge: \$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the Commission from time to time.

Daily Firm

Capacity Charge: \_\_\_\_\_ If applicable, the amount is set forth in Customer’s regular sales tariff schedule in Sheet 7.07, Column F.

Commodity Charge: All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company’s rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company’s Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the MPUC Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company’s sales tariff schedule.

Optional Services: The following services, described in Company’s Tariff sheet 6.087 ~~and 6.08,~~ are available at Customer’s option:

- ~~Firm Backup Sales Service~~
- Small-Large Volume Balancing Service

Customer ~~has shall~~ initialed ~~which of the the~~ above listed optional services, if any, isare desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company’s Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. Term: This Agreement shall remain in effect for a primary term of \_\_\_\_\_ ( ) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.





5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or ~~\$20~~\$50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing



as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

11. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") Attention: Address:	Company:  Attention: Address:
Telephone: Fax:	Telephone: Fax:

12. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC Commission and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated



hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

13. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

~~(a) — the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;~~

~~(b)~~(a) the risk that Customer may incur penalties for usage of unauthorized ~~takes~~ volumes described in the Company’s Tariffs in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and any charges Company incurs from the pipeline on behalf of Customer; and

~~(e)~~(b) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

14. **Entire Agreement:** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

Minnesota Energy Resources Corporation  
 (“MERC”)

Customer

\_\_\_\_\_   
 (print name)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



LARGE JOINT FIRM/INTERRUPTIBLE  
GAS SALES AGREEMENT  
(Minnesota)

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer desires to obtain natural gas service from Company and Company is willing to provide such service on the terms and conditions set forth herein. NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability.** Service under this Agreement is available to customers who qualify for service under Company’s ~~Rate Schedule~~ \_\_\_\_\_ (“Rate Schedule”) Tariffs, which is a part of Company’s tariff on file with the Minnesota Public Utilities Commission (“MPUC Commission”), as the same may be amended, modified or superseded from time to time (~~the “Tariff”~~). Customer represents that it meets the service availability requirements for service under this Agreement.

2. **Service Considerations.** During the term of this Agreement, Company shall be Customer’s exclusive natural gas distributor. Service hereunder will be for a base of firm gas volume, supplemented by interruptible volumes.

This Agreement in all respects shall be subject to the applicable provisions of the ~~Rate Schedule Company’s Tariffs~~ and the General Rules, Regulations, Terms and Conditions of Company’s Tariff on file with the MPUC Commission, or any effective superseding General Terms and Conditions on file with the MPUC Commission (~~“General Terms and Conditions”~~). Gas sold and delivered hereunder by Company shall not be resold by Customer to a third party. In case of any discrepancy between the terms of this Agreement and ~~the the Tariffs and~~ General Terms and Conditions, the Tariffs and General Terms and Conditions shall control.

3. **Gas To Be Sold.** Company agrees to sell firm and/or interruptible gas and deliver gas to Customer, and Customer agrees to purchase and receive such gas for its own use for the following purpose, namely: \_\_\_\_\_.

a. **Firm Gas Sales:** The daily Contract Demand volume of firm gas to be delivered hereunder shall be \_\_\_\_\_ MMBtu and shall be the maximum volume of gas Company is obligated to deliver to Customer on any billing day.

b. **Interruptible Sales:** On any given day Customer may purchase volumes of gas in excess of the firm gas entitlement when such additional volumes are available.

Delivery of gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas



carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and acknowledges its responsibility either to shut down its plant operations or to maintain complete standby facilities and alternate fuel supply to maintain plant operations during full or partial curtailment or interruption of service hereunder. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so.

4. **Charges.** Customer shall be responsible for and shall pay to Company the charges applicable to the service provided hereunder as set forth in Company's Tariff, as the same may be amended, modified or superseded from time to time.

Customer's minimum monthly bill will be the sum of the Customer Charge, Contract Demand Charge and Commodity Charge, subject to change in accordance with the Company's Purchased Gas Adjustment-Uniform Clause contained in the Tariff.

5. **Term.** The primary term of this Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, \_\_\_\_\_ and thereafter until terminated by either party upon six (6) months written notice.

6. **Penalty For Unauthorized Takes When Service is Interrupted.** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed the applicable charges in paragraph 4 above, plus either the applicable charge from the transporting pipeline (see Sheet No. 6.50 of the Tariff) or \$~~52~~20.00 per dekatherm so taken, whichever is greater. However, if Customer is served off Northern Natural Gas Company's pipeline, and if Northern calls a Critical Day, Customer shall be billed for all commodity volumes at the applicable rate in paragraph 4 plus the then current Critical Day daily delivery variance charge ("DDVC") for each dekatherm so taken when service is interrupted.

7. **Billing and Payment.** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on past due amounts in excess of \$10.00 and shall be the greater of \$1.00 and one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty



date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

8. **Request to Transfer to Non-Joint Service.** Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

9. **Notices.** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses specifically provided in this Agreement or, if not so provided, to the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC")	Company:
Attention:	Attention:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:

10. **Commission Authority.** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof, and to all present and future orders, rules, and regulations of the MPUC Commission and any other regulatory authorities having jurisdiction over (i) the sale of natural gas contemplated hereunder or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company's Tariff, and that Customer shall be bound by such changes or



new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

11. **Entire Agreement.** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**“MERC”**

**“Customer”**

\_\_\_\_\_  
*(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



ELECTION OF LARGE VOLUME BALANCING SERVICE
ADDENDUM TO
LARGE VOLUME TRANSPORTATION SERVICE AGREEMENT

This Addendum is made and entered into as of the \_\_\_ day of \_\_\_, \_\_\_, by and between Minnesota Energy Resources Corporation ("MERC" or "Company"), and \_\_\_ ("Customer").

WHEREAS, Company and Customer have entered into a Large Volume Transportation Service Agreement dated \_\_\_, \_\_\_ (the "LVTS Agreement");

WHEREAS, Customer desires to participate in the Large Volume Balancing Service Program; and WHEREAS, Company and Customer desire to amend the LVTS Agreement as provided herein.

NOW, THEREFORE, in consideration of the above premises and the covenants contained here, Company and Customer agree as follows:

1. Service Description. Customer elects to participate in the Large Volume Balancing Service ("LVBS") Program as set forth in Company's Tariff, Sheet No. 6.08, on file with the Minnesota Public Utility Commission ("MPUC Commission"), subject to change as may be approved by the MPUC Commission from time to time. The LVBS allows Customer's daily usage to vary from its nomination by the amount of service Customer chooses to purchase. Customer chooses to purchase the following number of units of the LVBS:

Number of Units: \_\_\_ Customer's/Representative's Initials: \_\_\_

2. Term. This Addendum shall commence on the date written above and shall remain in effect through the same term stated in Customer's LVTS Agreement referenced above.

3. Price. The price for the LVBS is set forth in Company's Tariff, subject to change as may be approved by the MPUC Commission from time to time.

4. Limitations. The LVBS will not be available on pipeline SOL, SUL, or Critical Days, days Company issues a Curtailment Day, or any other day Company determines, in its sole judgment, that LVBS would be detrimental to its General Service customers.

5. Miscellaneous. As amended by this Addendum, the LVTS Agreement is ratified and remains in full force and effect. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the LVTS Agreement, and the terms and provisions of Company's Tariff, the terms and provisions of Company's Tariff shall control. Any terms not defined herein shall have the meaning ascribed to them in Company's Tariff.

The parties have executed this Addendum as evidenced by their signature below.

Minnesota Energy Resources Corporation ("MERC")

Name: \_\_\_\_\_

Account #: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_





**SUPER LARGE VOLUME TRANSPORTATION  
SERVICE AGREEMENT**

~~(Minnesota)~~

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible basis by Company. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capacity and adequate full supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 ~~through 6.09 and pursuant to~~ Tariff and the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“~~MPUC~~ Commission”), as the same may be amended, modified or superseded from time to time ~~(the “Tariff”).~~ Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed prior to the commencement of natural gas service to Customer. ~~no later than 90 days after the commencement of natural gas service to Customer. Large volume seasonal, non-winter peaking customers whose annual volumes are less than 50,000 dekatherms, may request, in writing, a waiver of the telemetry requirements.~~

3. **Charges:** Customer shall be responsible for and shall pay to Company the following charges for the periods indicated or as otherwise applicable:

Customer Charge: \$110.00 per month per metered account for administrative costs



related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the MPUC Commission from time to time.

Daily Firm

Capacity Charge:

If applicable, the amount is set forth in Customer’s regular sales tariff schedule in Sheet 7.07, Column F.

Commodity Charge:

All volumes received by Customer hereunder shall be charged a rate equal ~~to the tariff margin component of Company’s rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company’s Tariff~~ the amount contained in Revised Sheet No. 6.20. ~~In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.~~

Additional costs will be assigned as they are authorized by the FERC or the MPUC Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company’s sales tariff schedule.

Optional Services:

The following service, described in Company’s Tariff sheet 6.076.23 or 6.28 as applicable, ~~are is~~ available at Customer’s option:

~~Firm Backup Sales Service~~  
Aggregation Service

If the Customer has initialed ~~which of~~ the above listed optional services, if any, are that is desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company’s Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ ( ) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.



5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$520.00 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff). Further, as applicable, Customer shall pay relevant pipeline penalties, as applicable.

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer



payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

11. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") Attention: Address:	Company:  Attention: Address:
Telephone: Fax:	Telephone: Fax:

12. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the MPUC Commission and any other



regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

13. **Acknowledging of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

~~(a) the risk that unless Customer buys firm backup sales service from Company, Company is not obligated to supply gas to Customer;~~

(a) ~~(a)~~the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and

(b) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

14. **Entire Agreement:** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**“MERC”**

**“Customer”**

*(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



~~FIRM BACKUP SALES  
SERVICE AGREEMENT  
(Minnesota)~~

~~This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”)  
and \_\_\_\_\_ (“Customer”).~~

~~WHEREAS, Customer desires to obtain firm backup sales service from Company and Company  
is willing to provide such service on the terms and conditions set forth herein.~~

~~NOW, THEREFORE, in consideration of the above premises and the covenants contained  
herein, Company and Customer agree as follows:~~

~~1. **Availability.** Service under this Agreement is available to customers who are  
currently transporting gas under Company’s Transportation Rate Schedule Sheet No. 6.00  
through 6.09 (“Rate Schedule”), which is a part of Company’s tariff on file with the Minnesota  
Public Utilities Commission (“MPUC”), as the same may be amended, modified or superseded  
from time to time (the “Tariff”).~~

~~2. **Service Considerations.** This Agreement in all respects shall be subject to the  
applicable provisions of the Rate Schedule and the General Rules, Regulations, Terms and  
Conditions of Company’s Tariff on file with the MPUC, or any effective superseding General  
Terms and Conditions on file with the MPUC and any other regulatory authorities having  
jurisdiction over (i) the sale of natural gas contemplated hereunder or (ii) the construction and  
operation of any facilities required to deliver said natural gas. Customer agrees that Company  
shall have the right to unilaterally make and to file with any and all regulatory bodies exercising  
jurisdiction, now or in the future, changes in rates or new rates or any other changes to  
Company’s Tariff, and that Customer shall be bound by such changes or new rates as are  
approved by such regulatory bodies. In the event of any conflict between the terms of this  
Agreement and the Tariff, the Tariff shall control.~~

~~10. **Entire Agreement.** This Agreement and Company’s Tariff constitute the entire  
agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all  
other prior or contemporaneous agreements between the parties regarding such subject matter.~~



\_\_\_\_\_ The parties have executed this Agreement as evidenced by their signatures below.

\_\_\_\_\_ Customer

**Minnesota Energy Resources Corporation**

**(“MERC”)** \_\_\_\_\_

\_\_\_\_\_ (*print name*)

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_



24-Hour Customer Service  
24-Hour Gas Emergencies

800-889-9508  
800-889-4970

www.minnesotaenergyresources.com

Bill Date	Account Number	Payment Due Date	Amount Due
mm/dd/yyyy	1234567890-12345	mm/dd/yyyy	\$00.00

**Customer Name** JOHN D SMITH  
**Service Address** 1234 UTILITY DR  
ANYTOWN MN 12345-6789

**Activity Since Last Bill**  
Previous Balance mm/dd/yyyy \$0.00  
Payment Received mm/dd/yyyy \$0.00  
Balance \$0.00  
Total Current Charges \$0.00  
Total Current Balance \$0.00

**Gas Residential With Heat  
GS-Res NNG**

Meter Number 123456 Actual Reading mm/dd/yyyy 0000  
Actual Reading mm/dd/yyyy 0000  
00  
Meter Constant x 0.0000  
Gas Used (CCF) 00  
Therm Conversion 00 x 0.000 BTU Factor = 000 Therms

**Local Distribution Service**

Monthly Customer Charge xx Days at \$0.00000 \$0.00  
Distribution Charge xx Therms at \$0.00000 \$0.00  
Interim Distribution Charge xx Therms at \$0.00000 \$0.00

**Gas Supply Service**

Base Gas Cost xx Therms at \$0.000000 \$0.00  
Purchased Gas Adjustment xx Therms at \$0.00000 (xx/xx Days) \$0.00  
Purchased Gas Adjustment xx Therms at \$0.00000 (xx/xx Days) \$0.00

**Other Service Charges/Credits**

2014 Decoupling Adjustment xx Therms at \$0.00000 \$0.00  
Affordability Surcharge xx Therms at \$0.00000 \$0.00  
Conservation Cost Recovery Adj xx Therms at \$0.00000 \$0.00

**Tax**  
State Tax 0.00% of \$00.00 \$0.00  
Franchise Fee Anytown \$0.00 \$0.00

**Total Gas Service Charges \$00.00**

**Total Current Charges \$00.00**

**Messages**

Even out your energy bills! Enroll in Budget Billing by paying exactly \$00.00, rather than the amount due shown. This will then be your monthly Budget amount. Every six months, your account will be reviewed and your payment may be adjusted to better reflect your actual use.

ACCOUNT NUMBER: 1234567890-12345

Page 1 of 1

Please return this stub with your payment.



Account Number: 1234567890-12345



00000637

JOHN D SMITH  
1234 UTILITY DR  
ANYTOWN, MN 12345-6789



Minnesota Energy Resources  
PO Box 19002  
Green Bay, WI 54307-9002

Issued by: Theodore Eidukas, Vice President Regulatory Affairs  
Submittal Date: November 30, 2016

**Account Summary**

Billing Period: mm/dd/yyyy to mm/dd/yyyy

Month YYYY	
Billing Days	00
Avg Daily Temp	00° F
Therms Used	00
Avg Therms/Day	0.0

**Therms Used By Month**

**Monthly Charges**

<b>Amount Due By</b>	<b>mm/dd/yyyy</b>	<b>\$00.00</b>
A 1.5% late fee will be charged on unpaid balances over \$10		
<i>Please write your account number on your check.</i>		
Amount Enclosed		
<div style="border: 1px solid black; width: 150px; height: 20px; margin: 0 auto;"></div>		

I want to support the HeatShare program, which helps pay energy expenses for those in need. I have circled my monthly gift amount below.  
\$1    \$5    \$10    \$20    Other \_\_\_\_\_

0110420983091000014 1000007671

Effective Date: February 1, 2017



## Helpful Information

### Billing Questions Or Complaints

If you have any questions or concerns about your bill, please contact us prior to the bill due date, so we can help.

Register any inquiry or complaint at Minnesota Energy Resources, PO Box 2176, Scottsbluff, NE 69363 or 800-889-9508.

You can also contact us for any of the following:

- Rate options & explanation of rates.
- How to calculate or verify the accuracy of your bill.
- Evaluating your energy use.
- Energy conservation efforts.
- Updating your account information.
- Billing & payment options.
- A free customer information booklet.

### Contacting Us

Phone: 800-889-9508  
 Email: customerservice@minnesotaenergyresources.com  
 Mail: PO Box 19002, Green Bay, WI 54307-9002  
 Web: www.minnesotaenergyresources.com

### Late Payments

Your payment is considered late if it is not received by the Payment Due Date. Late payments in excess of \$10.00 are subject to a late payment charge of 1.5% monthly (18% annually) or \$1.00, whichever is greater.

### Safety Reminders

- If you smell natural gas, leave the premise immediately and call our 24-Hour Emergency Service at **800-889-4970**.
- Call 811 at least 2 working days before you dig to have lines marked.

### Minnesota Public Utilities Commission

As a natural gas utility, Minnesota Energy Resources is regulated by the Minnesota Public Utilities Commission (MPUC). You can learn more about the MPUC at [www.puc.state.mn.us](http://www.puc.state.mn.us).

*Importante: Esta información se refiere a su servicio y tarifas.  
 Es posible que quiera una traducción.  
 Llame al 800-889-9508 para pedir una traducción. .*

## Explanation Of Billing Terms

### Usage

**BTU (British Thermal Unit)** – A factor that converts gas volumes into the heating value of the gas.

**CCF (100 Cubic Feet)** – The volume of gas measured by your meter.

**Therms** – A measurement of the heat energy in natural gas that is used to calculate your charges. For billing, it's the volume of natural gas in CCFs multiplied by the heat factor (BTU).

### Charges

**Affordability Surcharge** – A charge required by state law to fund the Gas Affordability Program, which provides assistance to low-income customers.

**Base Gas Cost** – The actual cost of the natural gas used.

**Conservation Cost Recovery** – A per-therm charge to recover costs of the Conservation Improvement Program, which encourages customers to make energy efficient improvements.

**Decoupling Adjustment** – Within limits, allows for the recovery of lost revenue due to declining sales and requires credits in the event of excess sales.

**Distribution Charge** – The charge for the safe and reliable delivery of gas to customers.

**Gas Supply Service** – The costs for providing natural gas to our customers. This includes Base Gas Cost and Purchased Gas Adjustment charges.

**Local Distribution Service** – The charge for the safe and reliable delivery of natural gas to customers. It includes a Monthly Customer Charge and Distribution Charge.

**Monthly Customer Charge** – A monthly charge that helps cover the costs of providing service to customers. This includes equipment, billing and programs.

**Purchased Gas Adjustment** – An adjustment or rate change due to the cost of purchasing natural gas for customers.

### Financial Assistance

**Energy Assistance Program (EAP)** – Provides heating assistance grants to eligible customers. For assistance, call 800-657-3710.

**Cold Weather Rule (CWR)** – Protects you from unlawful shut offs during the winter months when you enter into a payment agreement with us. For more information, call Minnesota Energy Resources at 800-889-9508.

**Gas Affordability Program (GAP)** – Additional energy assistance for recipients of the Low Income Energy Assistance Program.

**HeatShare** – A Salvation Army program that provides energy assistance to low-income families and individuals. Call 800-842-7279 to find the office that serves your area.

*Clean Tariff Sheets*

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MINNESOTA CITIES SERVED BY MERC		
Ada	Deer River	Kettle River
Adams	Deerwood	LaCrescent
Aitkin	Detroit Lakes	LaPrairie
Albert Lea	Dodge Center	Lakefield
Alden	Dover	Lakeville
Altura	Duluth	Lamberton
Appleton	Dunnell	Lanesboro
Audubon	Eagan	Lansing Township
Aurora	Elgin	Leonadis
Barnum	Elko	Lewiston
Baudette	Ellendale	Lyle
Bemidji	Emmons	Mabel
Bertha	Empire	Madison
Biwabik	Eveleth	Mantorville
Blooming Prairie	Eureka Township	Marble
Bovey	Eyota	Mayhew
Brewster	Fairmont	Menahga
Brownsdale	Farmington	Midway
Buhl	Fayal Township	Moose Lake
Butterfield	Finlayson	Moose Lake Township
Byron	Floodwood	Mora
Caledonia	Fountain	Motley
Calumet	Frazee	Mountain Iron
Camp Ripley*	Freeborn	Mountain Lake
Canby	Geneva	Nashwauk
Cannon Falls	Gilbert	New Market
Canosia Township (Duluth)	Glenville	New Market Township
Canton	Grand Lake Township	New Richland
Carlton	Grand Rapids	New Scandia Township
Castle Rock	Harmony	North Branch
Chatfield	Harris	Northrop
Chisholm	Hayfield	Oakland
Claremont	Hayward	Oronoco
Clarks Grove	Hendricks	Ortonville
Cloquet	Hermantown	Pengilly
Cohasset	Hewitt	Peterson
Coleraine	Hinckley	Pine City
Conger	Hollandale	Pine Island
Cottage Grove	Houston	Plainview
Cottonwood	Hoyt Lakes	Pokegama Township
Credit River	International Falls	Preston
Crosby	Ironton	Prior Lake
	Ivanhoe	Proctor
	Jackson	
	Kasson	
	Keewatin	
	Kenyon	

**MINNESOTA CITIES SERVED BY MERC (Continued)**

Randolph Township	Webster Township
Ranier	Welcome
Revere	Wells
Riverton	West Concord
Rochester	Willow River
Roseau	Windemere Township
Rose Creek	Windom
Rosemount	Worthington
Rush City	Wrenshall
Rushford	Wykoff
Rushford Village	Zemple
Sanborn	Zumbrota
Sandstone	
Scanlon	
Sebeka	
Silver Bay	
Silver Brook Township	
Sherburn	
Spring Grove	
Spring Lake Township	
Spring Valley	
Staples	
St. Charles	
Stewartville	
Sturgeon Lake	
Taopi	
Tracy	
Thief River Falls	
Trimont	
Truman	
Twin Lakes	
Twin Lake Township	
Utica	
Verndale	
Viola	
Wadena	
Walnut Grove	
Waltham	
Wanamingo	
Warroad	

Issued By: Theodore Eidukas  
 Vice President-Regulatory Affairs  
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**MINNESOTA COUNTIES SERVED BY MERC**

Aitkin	Roseau
Becker	Scott
Beltrami	Steele
Benton	St. Louis
Big Stone	Swift
Carlton	Todd
Cass	Wabasha
Chisago	Wadena
Cottonwood	Waseca
Crow Wing	Washington
Dakota	Watonwan
Dodge	Winona
Faribault	Yellow Medicine
Fillmore	
Freeborn	
Goodhue	
Houston	
Hubbard	
Itasca	
Jackson	
Kanabec	
Koochiching	
Lac qui Parle	
Lake	
Lake of the Woods	
Lincoln	
Lyon	
Martin	
Morrison	
Mower	
Nobles	
Norman	
Olmsted	
Ottertail	
Pennington	
Pine	
Redwood	
Rice	

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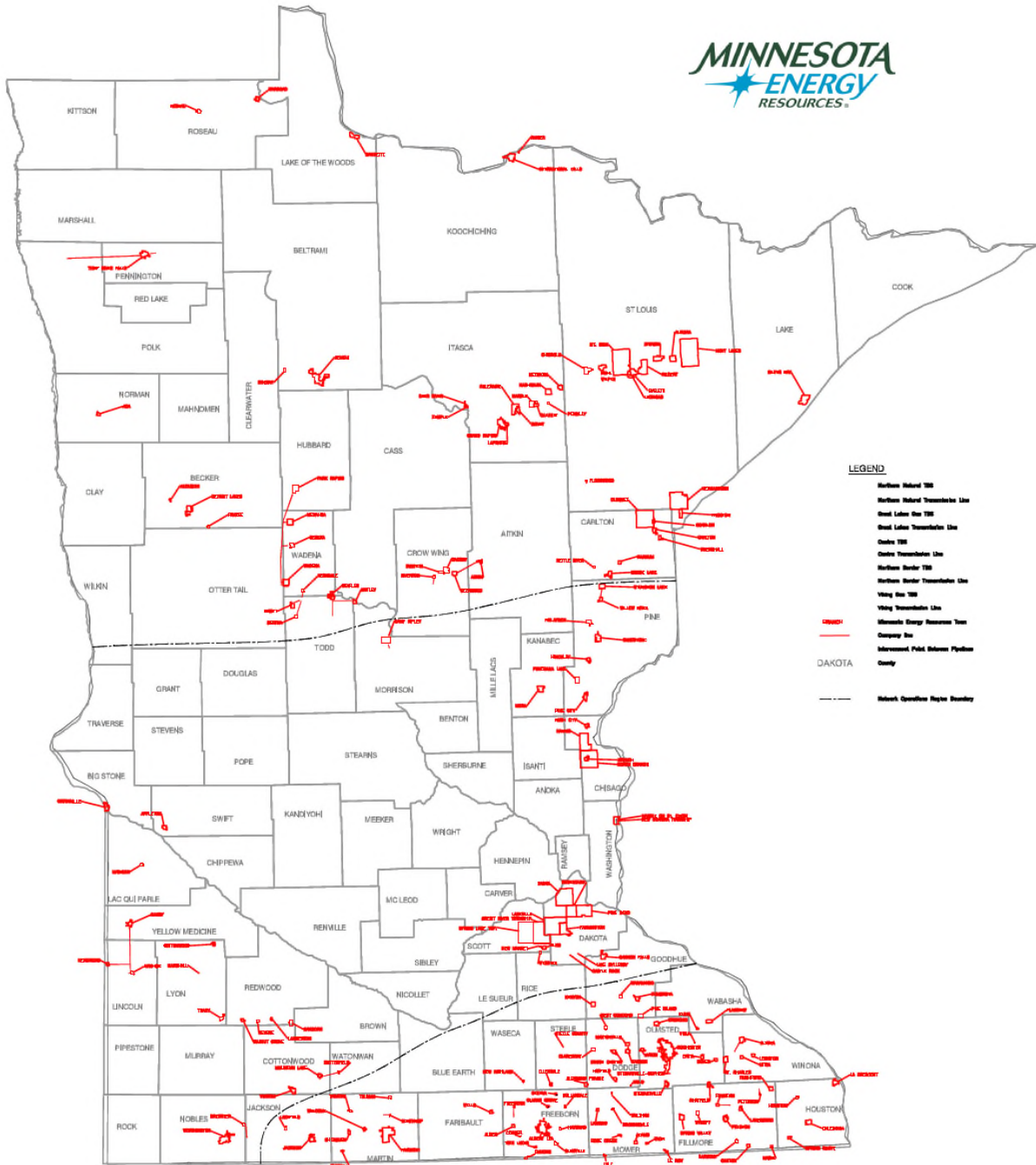
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CANCELED

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MERC



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CONTACT LIST

The following list sets out Company's management personnel who are authorized to receive, act upon and respond to communications from the Commission. In each instance, the individuals are listed in order of who should be first contacted under each category. The phone listing shows the business number first and residential number second.

A. General Management Duties:1. Tariff Rates, Financial Data and All Other Items Not Specifically Covered Below:

Amber S. Lee, Regulatory and Legislative Affairs Manager  
(651) 322-8965

2. Tariff Rules and Regulations; Pass along Increases and Related Refunds:

Amber S. Lee, Regulatory and Legislative Affairs Manager  
(651) 322-8965

B. Customer Relations:

Nancy Lilienthal – Senior Administrative Assistant  
(651) 322-8902

Amber S. Lee, Regulatory and Legislative Affairs Manager  
(651) 322-8965

C. Emergencies - Non-Office Hours:

Emergency telephone numbers of the Company in each community served are listed in the telephone directory for that community. After hours, MERC can also be reached at 1-800-889-9508 for customer services and at 1-800-889-4970 for emergencies.

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TECHNICAL TERMS AND ABBREVIATIONS

Company does not employ any technical or special terms which are unique to the application of any of its rate schedules, rules or regulations. All terms used by the Company are common terms in the industry. For clarification purposes such terms are defined in Rules and Regulations.

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## RATE SCHEDULE GS-NNG GENERAL SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied by Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to firm gas service for customers whose normal requirement does not exceed 1,990 therms on peak day and such service shall not be subject to curtailment or interruption, but will be subject to curtailment by pipeline supplier in compliance with their approved Federal Energy Regulatory Commission curtailment plan.
3. Rates: Base rate of gas @ \$0.41887 (MERC-NNG) per therm
  - A. Residential  
Customer Charge per Month - \$9.50  
Distribution Charge @ \$0.24116 per therm
  - B. Commercial and Industrial - 1,500 therms or less per Year  
Customer Charge per Month - \$18.00  
Distribution Charge @ \$0.22065 per therm
  - C. Commercial and Industrial - Over 1,500 therms per Year  
Customer Charge per Month - \$45.00  
Distribution Charge @ \$0.16885 per therm

Rates set forth above are base rates subject to change in accordance with the provisions Purchase Gas Adjustment - Uniform Clause.

Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's.

Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's Minnesota General Rules, Regulations, Terms and Conditions.

Btu's will be calculated on an arithmetic average.

4. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
5. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

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## RATE SCHEDULE GS-CONSOLIDATED GENERAL SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied by Viking Gas Transmission, Great Lakes Gas Transmission, and Centra in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to firm gas service for customers whose normal requirement does not exceed 1,990 therms on peak day and such service shall not be subject to curtailment or interruption, but will be subject to curtailment by pipeline supplier in compliance with their approved Federal Energy Regulatory Commission curtailment plan.
3. Rates: Base rate of gas @ \$0.34787 (MERC-Consolidated) per therm
  - A. Residential  
Customer Charge per Month - \$9.50  
Distribution Charge @ \$0.24116 per therm
  - B. Commercial and Industrial - 1,500 therms or less per Year  
Customer Charge per Month - \$18.00  
Distribution Charge @ \$0.22065 per therm
  - C. Commercial and Industrial - Over 1,500 therms per Year  
Customer Charge per Month - \$45.00  
Distribution Charge @ \$0.16885 per therm

Rates set forth above are base rates subject to change in accordance with the provisions Purchase Gas Adjustment - Uniform Clause.

Monthly Minimum Bill: The minimum bill is the customer charge.

Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's.

Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions.

Btu's will be calculated on an arithmetic average.

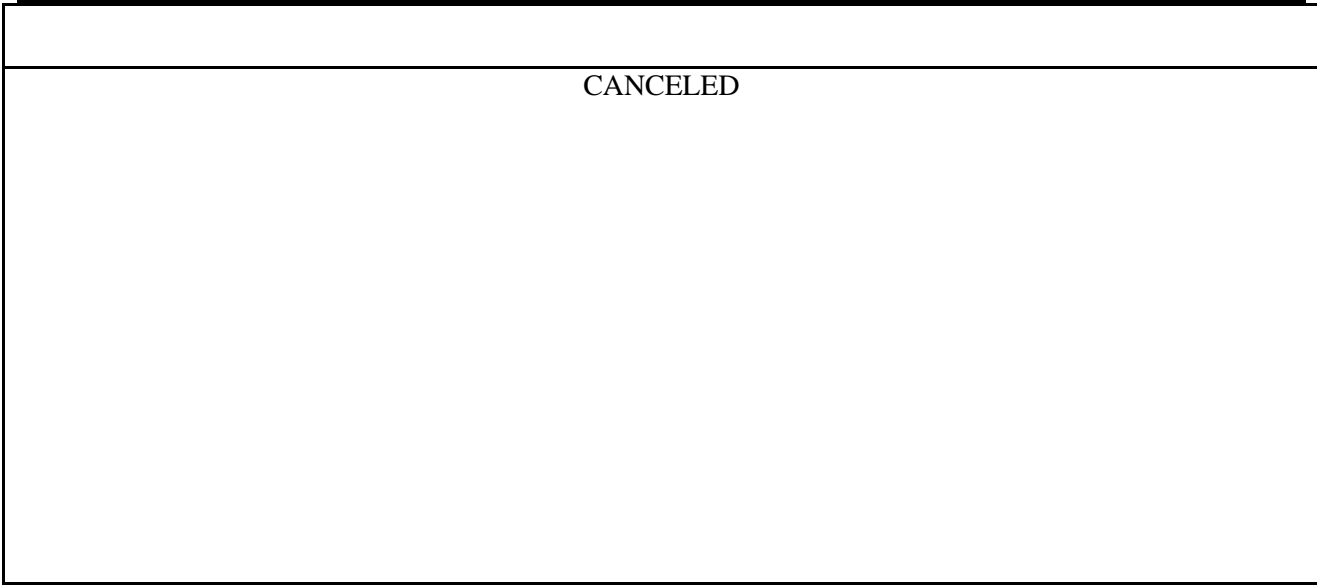
4. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
5. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

apply to this rate schedule.

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## RATE SCHEDULE GS- MERC ALBERT LEA GENERAL SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas previously served by Interstate Power and Light Company and supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to firm gas service for customers whose normal requirement does not exceed 1,990 therms on peak day and such service shall not be subject to curtailment or interruption, but will be subject to curtailment by pipeline supplier in compliance with their approved Federal Energy Regulatory Commission curtailment plan.
3. Rates: Base rate of gas @ \$0.36354 (MERC-Albert Lea) per therm
  - A. Residential  
Customer Charge per Month - \$7.25  
Distribution Charge @ \$0.24116 per therm
  - B. Commercial and Industrial – 1,500 therms or less per Year  
Customer Charge per Month – \$11.50  
Distribution Charge @ \$0.22065 per therm
  - C. Commercial and Industrial - Over 1,500 therms per Year  
Customer Charge per Month – \$25.00  
Distribution Charge @ \$0.16885 per therm

Rates set forth above are base rates subject to change in accordance with the provisions Purchase Gas Adjustment - Uniform Clause.

Monthly Minimum Bill: The minimum bill is the customer charge.

Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's.

Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions.

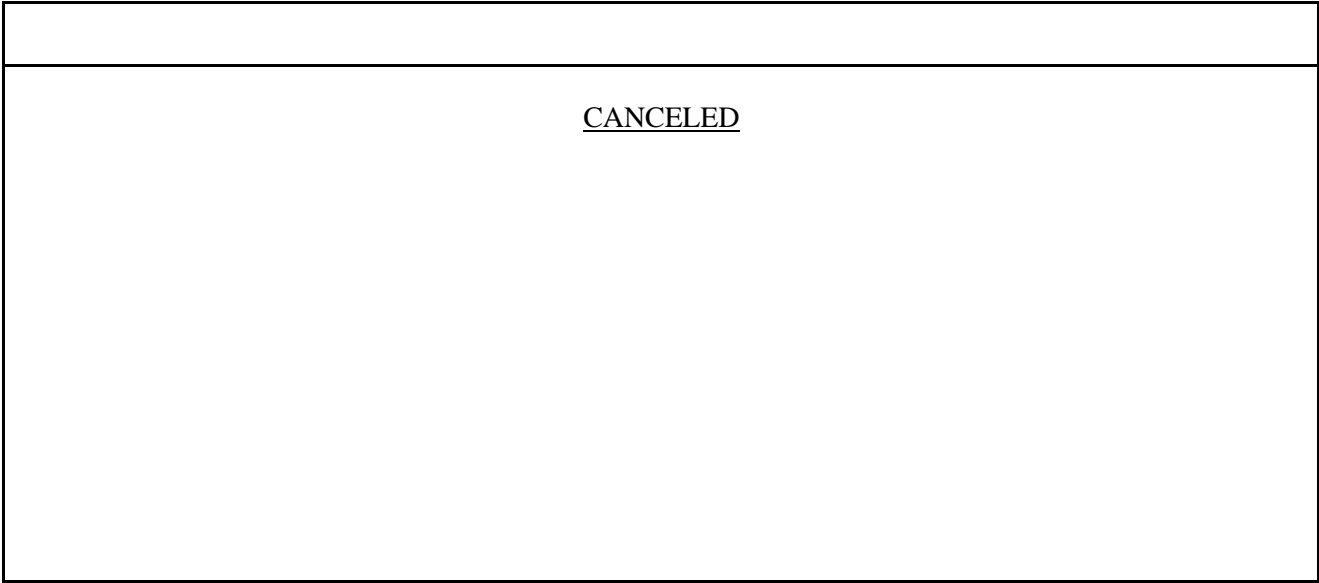
Btu's will be calculated on an arithmetic average.
4. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
5. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

apply to this rate schedule.

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## RATE SCHEDULE SVI-NNG SMALL VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to small volume gas service which is subject to interruption at any time upon order of MERC. Daily consumption should not exceed 199 dekatherms on any day. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. If customer or MERC thinks customer's maximum daily consumption is 200 dekatherms per day or more, usage will be monitored by the MERC to determine whether the customer qualifies for large volume service. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes not to exceed 199 dekatherms per day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.

## RATE SCHEDULE SVI-NNG SMALL VOLUME INTERRUPTIBLE SERVICE (Continued)

4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
5. Rates:
- A. Per month: Customer Charge \$165.00 per meter  
Base rate of gas @ \$0.32661 (MERC-NNG) per therm  
Distribution charge @ \$0.09740 per therm
- B. The base rate for DFC shall be \$0.10226 per therm, if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.
- C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. For residential customers, the next billing date must not be less than 25 days from the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.
6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
5. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
6. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$50.00 per dekatherm so taken, whichever is applicable.
7. Telemetry: Customers other than farm tap customers must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
8. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

CANCELED

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Vice President-Regulatory Affairs  
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## RATE SCHEDULE SVI-CONSOLIDATED SMALL VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied through Viking Gas Transmission, Great Lakes Gas Transmission, and Centra in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to small volume gas service which is subject to interruption at any time upon order of MERC. Daily consumption should not exceed 199 dekatherms on any day. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. If customer or MERC thinks customer's maximum daily consumption is 200 dekatherms per day or more, usage will be monitored by MERC to determine whether the customer qualifies for large volume service. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes not to exceed 199 dekatherms per day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.

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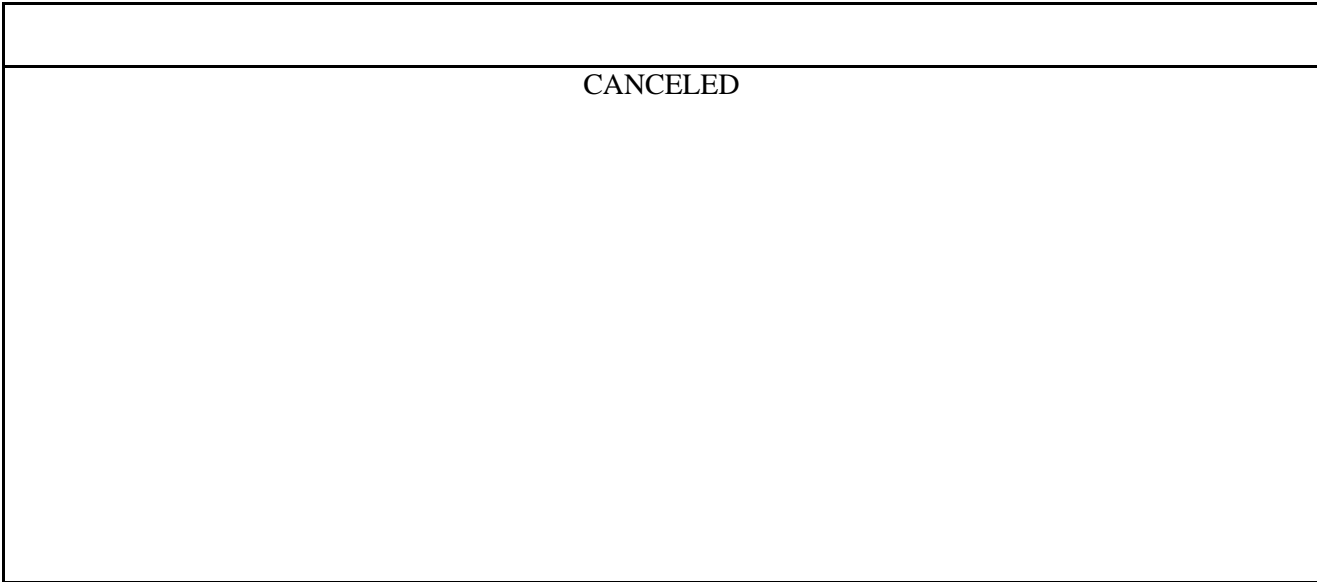
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## RATE SCHEDULE SVI-CONSOLIDATED SMALL VOLUME INTERRUPTIBLE SERVICE (Continued)

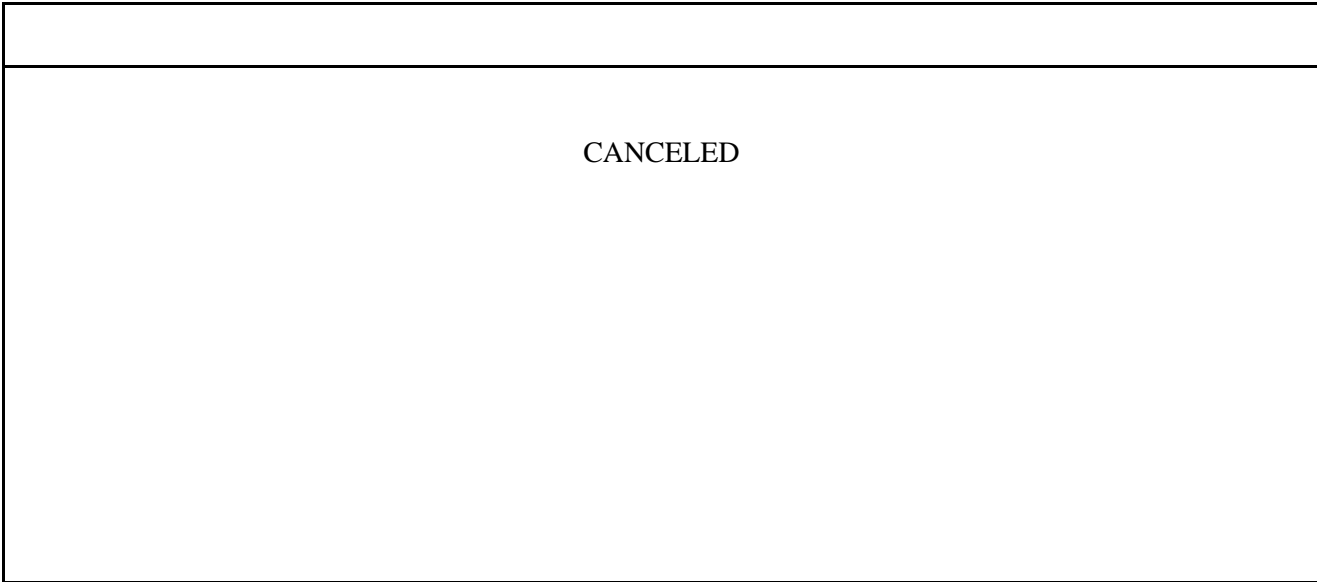
4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
5. Rates:
- A. Per month: Customer Charge \$165.00 per meter  
Base rate of gas @ \$0.26791(MERC-Consolidated) per therm  
Distribution charge @ \$0.09740 per therm
- B. The base rate for DFC shall be \$0.08996 per therm, if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.
- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.
5. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
6. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
7. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$50.00 per dekatherm so taken, whichever is applicable.
8. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
9. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
- Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's
- General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.



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## RATE SCHEDULE SVI- MERC ALBERT LEA SMALL VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas previously served by Interstate Power and Light Company and supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to small volume gas service which is subject to interruption at any time upon order of MERC. Daily consumption should not exceed 199 dekatherms on any day. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. If customer or MERC thinks customer's maximum daily consumption is 200 dekatherms per day or more, usage will be monitored by MERC to determine whether the customer qualifies for large volume service. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes not to exceed 199 dekatherms per day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a DFC for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.

RATE SCHEDULE SVI-MERC ALBERT LEA SMALL VOLUME INTERRUPTIBLE SERVICE  
(Continued)

4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
5. Rates:
- A. Per month: Customer Charge \$89.50 per month  
Base rate of gas @ \$0.25975 (MERC-Albert Lea) per therm  
Distribution charge @ \$0.09740 per therm
- B. The base rate for DFC shall be \$0.11379 per therm, if the customer has elected to obtain joint gas service per Section 3 above. See Sheet No. 7.07 for rate details.
- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.
6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
7. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
8. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
9. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
6. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$50.00 per dekatherm so taken, whichever is applicable.

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## RATE SCHEDULE LVI-NNG LARGE VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and mainline customers supplied through Northern Natural Gas in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at any time upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. Customer must take 200 dekatherms or more per day at least once in a calendar year. MERC will have measuring equipment in place to determine that customer takes at least 200 dekatherms per day at least once on an annual basis. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes which must be 200 dekatherms or more per day at least once in a calendar year. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

## RATE SCHEDULE LVI-NNG LARGE VOLUME INTERRUPTIBLE SERVICE (Continued)

5. Rates:
- A. Per month: Customer Charge \$185.00 per meter  
Base rate of gas @ \$0.32661(MERC-NNG) per therm  
Distribution charge @ \$0.05329 per therm
  - B. The base rate for DFC shall be \$0.10226 per therm if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.
  - C. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid by the next billing date, for residential and Even Pay Plan customers, or within 17 days of the current billing date for nonresidential customers. No late payment charge will be made if the unpaid balance is \$10 or less.
  - D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchase Gas Adjustment Uniform Clause.
6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
7. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
8. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either the charge from pipeline (see Sheet 6.50) or \$50.00 per dekatherm so taken, whichever is applicable.
9. Telemetry: Customers other than farm tap customers must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
10. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
11. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.

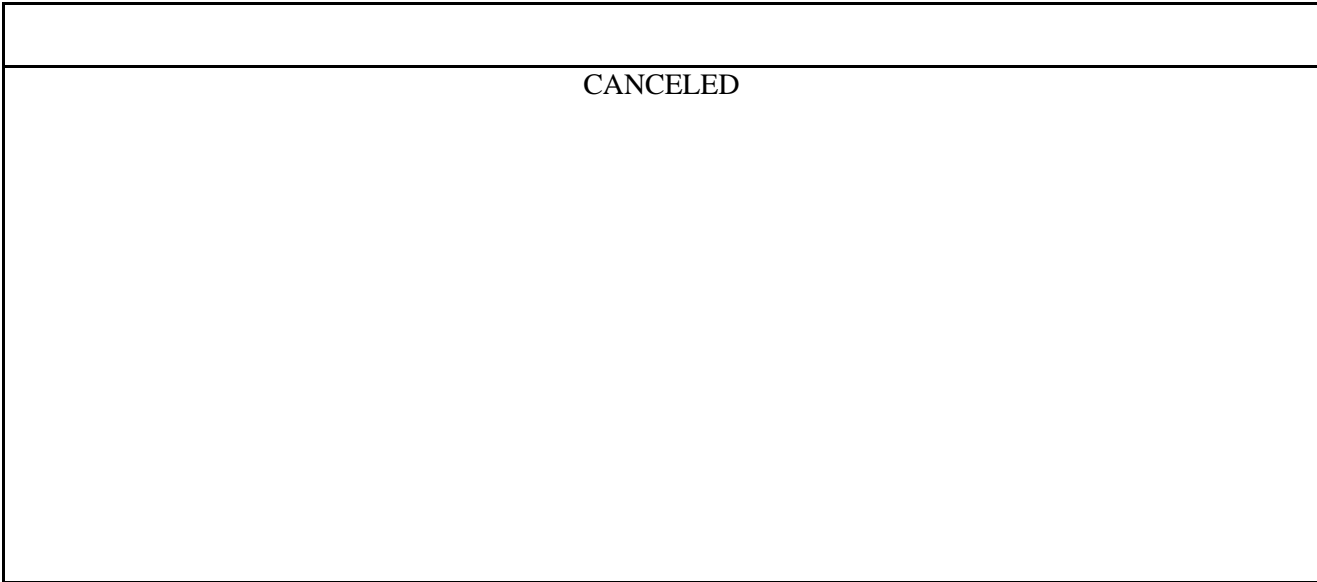
RATE SCHEDULE LVI-NNG LARGE VOLUME INTERRUPTIBLE SERVICE (Continued)

12. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.

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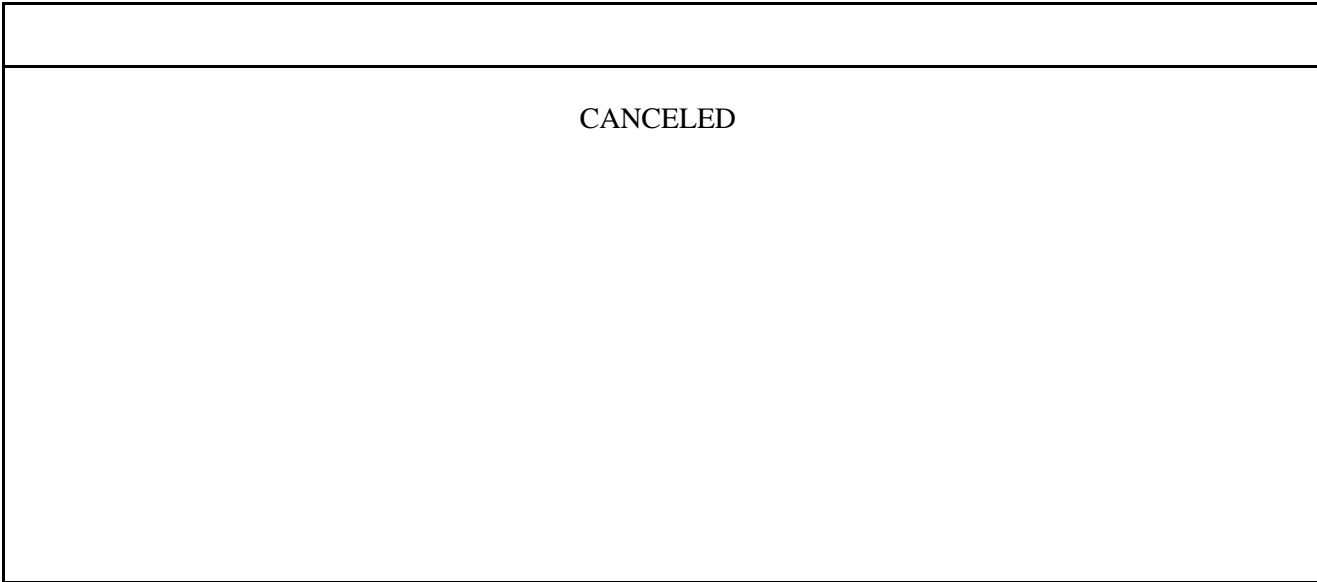
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## RATE SCHEDULE LVI-CONSOLIDATED LARGE VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas supplied through Viking Gas Transmission, Great Lakes Gas Transmission, and Centra in MERC's Minnesota Service Area.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at any time upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. Customer must take 200 dekatherms or more per day at least once in a calendar year. MERC will have measuring equipment in place to determine that customer takes at least 200 dekatherms per day at least once on an annual basis. Interruptible service is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate that it has such capability and fuel supplies. A firm customer may transfer to interruptible service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. An interruptible customer may not return to firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Joint Gas Service: Customer has the option to obtain joint gas service consisting of a base of firm gas volume, supplemented by interruptible volumes which must be 200 dekatherms or more per day at least once in a calendar year. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a Daily Firm Capacity ("DFC") for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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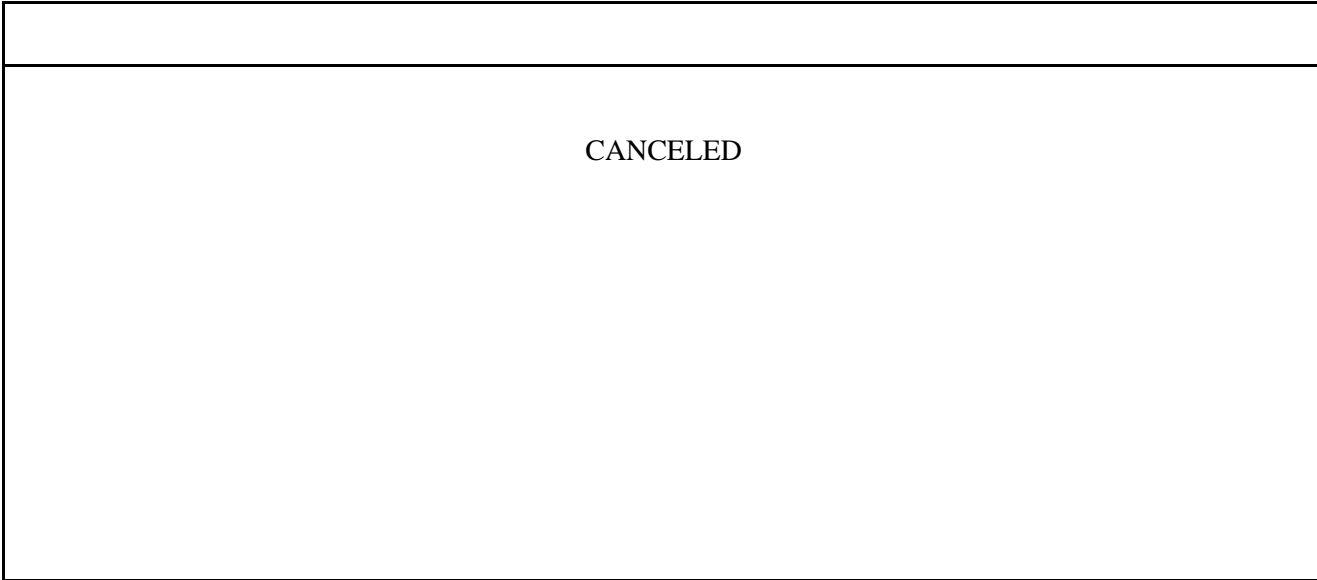
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RATE SCHEDULE LVI-CONSOLIDATED- LARGE VOLUME INTERRUPTIBLE SERVICE  
(Continued)

5. Rates:
- A. Per month: Customer Charge - \$185.00 per meter  
Base rate of gas @ \$0.26791 (MERC-Consolidated) per therm  
Distribution charge @ \$0.05329 per therm
- B. The base rate for DFC shall be \$0.08996per therm, if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.
- D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchased Gas Adjustment - Uniform Clause.
6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
7. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
8. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either applicable charge from pipeline (see Sheet 6.50) or \$50.00 per dekatherm so taken, whichever is applicable.
9. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
10. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
11. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.
12. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.
10. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.



CANCELED

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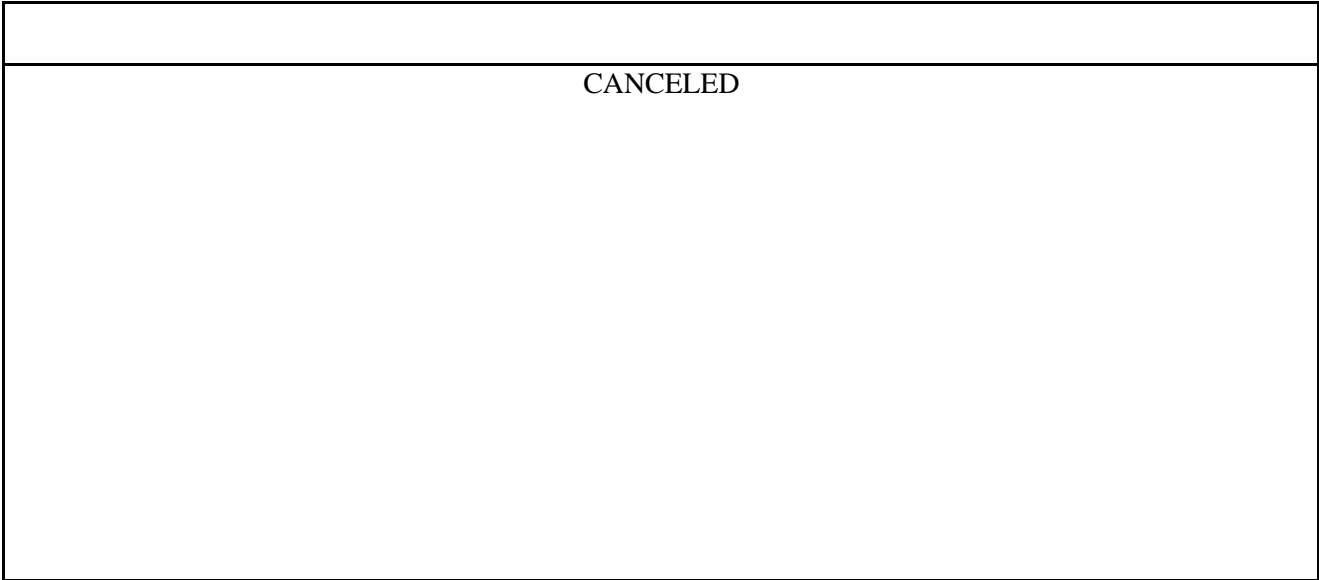
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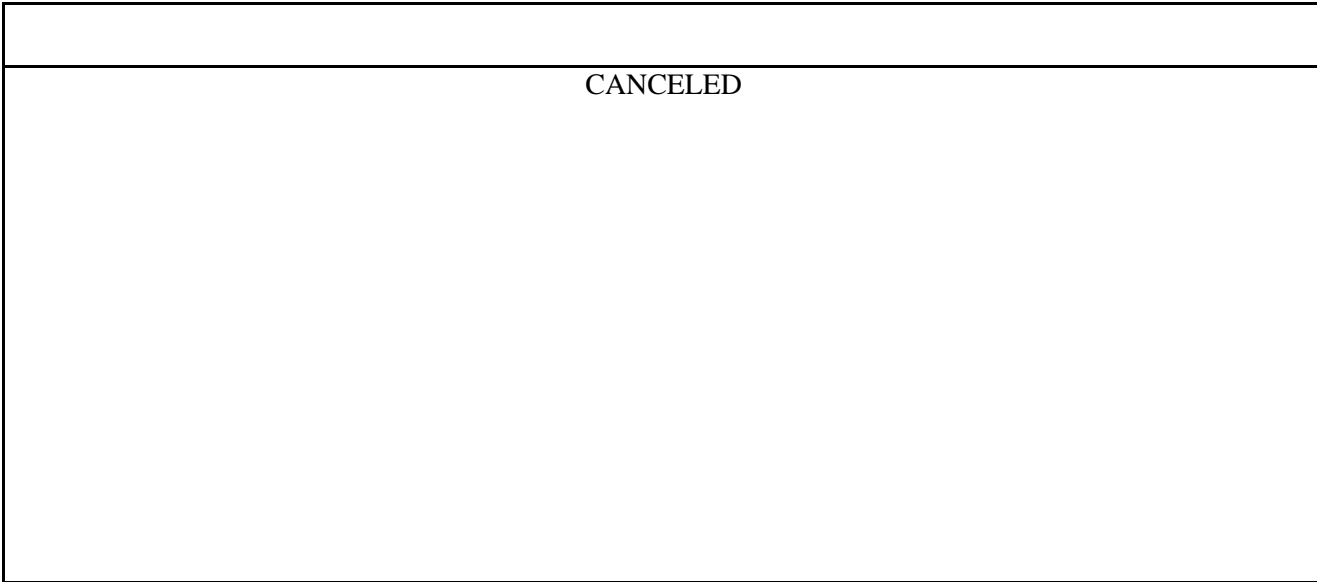
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## RATE SCHEDULE LVI-MERC ALBERT LEA LARGE VOLUME INTERRUPTIBLE SERVICE

1. Availability: Service under this rate schedule is available to towns and to related rural areas previously served by Interstate Power and Light Company and supplied through Northern Natural Gas in MERC's Minnesota Service Area.
4. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and

**RATE SCHEDULE LVI-MERC ALBERT LEA- LARGE VOLUME INTERRUPTIBLE SERVICE  
(Continued)**

4. Transfer of Service (Continued): (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
5. Rates:
  - A. Per month: Customer Charge - \$99.50 per meter  
Base rate of gas @ \$0.25975(MERC-Albert Lea) per therm  
Distribution charge @ \$0.05329 per therm
  - B. The base rate for DFC shall be \$0.11379 per therm, if the customer has elected to obtain joint gas service per section 3 above. See Sheet No. 7.07 for rate details.
  - D. Rates set forth above are base rates subject to change in accordance with the provisions of Purchased Gas Adjustment - Uniform Clause.
6. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
7. Monthly Minimum Bill: The monthly minimum bill is the customer charge, the daily firm capacity charge, if any, and the applicable commodity charge for all volumes taken.
8. Penalty For Unauthorized Takes When Service Is Interrupted: Applicable rate in Paragraph "4" plus either applicable charge from pipeline (see Sheet 6.50) or \$50.00 per dekatherm so taken, whichever is applicable.
9. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
10. Telemetry: Customer must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
11. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.
12. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.



## RATE SCHEDULE S-LV SUPER LARGE VOLUME SERVICE

1. Availability: Service under this rate schedule is available to large volume mainline customers supplied through Northern Natural Gas Company.
2. Applicability and Character of Service: This rate schedule shall apply to joint gas service consisting of a base of firm gas volume, supplemented by additional interruptible gas volumes authorized from day to day. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1 and must maintain joint gas service and must nominate a DFC for the entire November through October period. A customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request the customer must demonstrate it has such capability and fuel supplies for amounts in excess of firm entitlement volumes to maintain operations during periods of curtailment. Customer must have capacity to take 4,000 dekatherms or more per day and annual consumption of 1.2 Bcf (1,200,000 dekatherms), except that, where consumption falls below this level due exclusively to efforts to conserve energy, or temporarily due to a strike or shutdown, customer is still eligible to take service under this tariff. Customer must document conservation efforts to justify consumption below 1,200,000 dekatherms. If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.
3. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
4. Rate:
  - A. The customer charge shall be \$360.00 per month per meter.
  - B. The base rate for DFC shall be \$.09433 per therm, if the customer has elected to obtain joint gas service. See Sheet No. 7.07 for rate details. No demand charge shall be billed to customer or shall be due from them for days during a month when total curtailment of their daily firm capacity entitlement was in effect. For days of partial curtailment, however, daily firm capacity charges shall be billed to and paid by customer in an amount determined by dividing the monthly daily firm capacity charge by 30 and multiplying the product by a ratio, the numerator of which is the actual volumes delivered on such day and the denominator of which is the customer's daily firm capacity.

## RATE SCHEDULE S-LV SUPER LARGE VOLUME SERVICE (CONTINUED)

4. Rate (Continued):
- C. The base rate of gas is \$0.32661 (MERC-NNG) per therm, and the distribution charge is \$0.00448 per therm for CIP-Exempt and \$0.03215 per therm for CIP-Applicable.
  - D. The monthly minimum bill shall be the customer charge, the daily firm capacity charge and the applicable commodity charge for all volumes taken subject to and computed in accordance with C.
  - E. Rates set forth above are base rates subject to change in accordance with the provisions of Purchased Gas Adjustment - Uniform Clause.
5. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.
6. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid within 17 days of the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.
7. Penalty For Unauthorized Takes When Service Is Interrupted: Buyer shall be billed and shall pay \$50.00 per dekatherm for unauthorized overrun gas in addition to the rates in Paragraph "4". In addition, should Northern Natural Gas Company call a Critical Day, the penalty for unauthorized takes will be those set out on Sheet No. 6.50.
8. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.
9. Telemetry: Customers other than farm tap customers must install telemetry equipment. Customer shall reimburse Company for all costs incurred by Company to install and maintain telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.
10. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC. The CCRC factor is approved and applied on a per therm basis.
11. Determination of CCRC Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes § 216B.241, the CCRC shall not apply. Those customers will not be charged the per therm CCRC factor.

## TRANSPORTATION RATE SCHEDULE

1. Availability: Service under this rate schedule is available to any non-general service end-use customer who purchases gas supplies that can be transported on a firm or interruptible basis by MERC. Service hereunder shall be offered on a firm or interruptible basis contingent upon adequate interstate pipeline system capacity. Transportation service is not available to general service customers. Transportation is only allowed on open access pipelines (Centra is the only non-open access pipeline). Note that MERC-Albert Lea Transportation customers will be administered under NNG provisions of these tariff sheets.

Service will be provided on a firm basis only if the customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company's distribution system and the customer has provided to Company a Joint Certification confirming this signed by the customer and, if applicable, the marketer. Interruptible transportation is available to a Human Needs Customer only if the customer has signed an affidavit that it has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company's service to such customer is interrupted. At Company's request, the customer must demonstrate that it has such capability and fuel supplies.

Class of Service: Transportation customers, if otherwise qualified for the rate, may choose transportation service from one of the following classes:

Small Volume Interruptible Service

Large Volume Interruptible Service

Small Volume Joint Firm/Interruptible Service

Large Volume Joint Firm/Interruptible Service

Super Large Volume Interruptible Transport

Super Large Volume Joint Firm/Interruptible Service

2. Rate:  
Fixed Rate

Transportation Administrative Customer Charge - \$110.00 per month per metered account for administrative costs related to transportation plus:

\$170.00 per month – SVI/SVJ Transport

\$190.00 per month – LVI/LVJ Transport

\$360.00 per month – SLVI/SLVJ Transport

If applicable is at the rate set in the customer's regular sales tariff schedule as shown on Sheet 7.07, Column F.

Tariff Margin Charge

All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for such customer as shown on Sheet 7.07, Column D. In addition, the customer must pay for all fixed gas costs assigned to the customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following:

## TRANSPORTATION RATE SCHEDULE (Continued)

Daily Firm Capacity Charge  
Annual Cost Adjustment Charges  
Conservation Cost Recovery Charges and Conservation Cost Recovery Adjustments  
Any other Fixed costs passed on by the pipeline, applicable for recovery

Additional costs will be assigned as they are authorized by the FERC or Minnesota Public Utilities Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all firm volumes delivered from system gas supply shall be charged the rate set in the appropriate sales tariff schedule.

3. Special Conditions:

- A. Customer must have arranged for the purchase of gas other than Company's system supply and for its delivery to Company system. Company shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to Company's system.
- B. The customer shall execute a written contract for transportation services along with any attendant addendums pursuant to this rate schedule containing such terms and conditions as Company may reasonably require.
- C. All transportation customers other than farm tap customers must have Company install telemetry equipment at the customer's expense. The telemetry equipment must be installed prior to the commencement of natural gas service to the customer. Company will offer financing for periods up to 90 days interest free. Company will offer financing with interest to a customer to pay for the installation of telemetry equipment for a period of more than 90 days but not more than 12 consecutive months on a non-regulated basis. The telemetry equipment and any other improvements made by Company shall remain the property of Company.
- D. Company's sales refunds applicable to the period when gas is transported will not be made to transportation customers.
- E. The order of gas delivery for purposes of billing will be as follows:
  - a. First, customer-owned firm volumes.
  - b. Second, customer-owned interruptible volumes.
  - c. Third, sales gas priced per Company's applicable sales tariffs.
- F. Customer agrees to curtail the use of gas purchased from third party suppliers of gas when the gas purchased from the third party is not delivered to Company's system.
- G. Customers may transfer to Transportation Service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A transportation customer must maintain transportation service for the entire November through October period. A transportation customer may not return to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service.

## TRANSPORTATION RATE SCHEDULE (Continued)

The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

H. Joint rate transportation service customers can select one of the following two options:

- 1) Customers served under the joint sales rate may purchase both interstate pipeline capacity and Company's distribution system capacity from Company. In this case, customers would be billed the "Base Gas Cost", "PGA Adjustment", "Annual ACA Adjustment", and the "Tariff Margin" (as shown on Company's tariff sheet No. 7.07).
- 2) Customers may choose to separately purchase interstate pipeline capacity from a third party non-regulated supplier (as demonstrated by providing Company with a Joint Certification signed by the customer and the third party supplier) and distribution system capacity from Company. In this case, customers would be billed only the "Tariff Margin" (as shown on Company tariff sheet No. 7.07).

Customers purchasing interstate pipeline capacity from third party non-regulated suppliers must be able to demonstrate they have been provided the necessary units of interstate pipeline capacity to meet their firm needs. Customers who have previously entered into contracts with Company for the purchase of interstate pipeline capacity are responsible for completing their contract obligations.

If a customer wishes to obtain or maintain joint gas service, the customer or the customers' brokers must provide the Company with details as to the amount of firm capacity purchased to date in a calendar year on the interstate pipeline by August 1. If a customer or its broker provides this information, the Company will take this information into account when evaluating the upcoming heating season. This information will allow the Company to reconcile the amounts purchased for firm capacity from these joint customers on the interstate pipeline with the capabilities of the Company's distribution system for the upcoming heating season.

4. BTU Adjustment: Customer billed usage in therm volumes will be adjusted when the Btu content of delivered gas varies from 1,000 Btu per cubic foot.
5. Nomination: Customers requesting volumes to flow on the first day of any month must directly advise Company's Gas Control Department by 9:00 a.m. (Central Clock time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on their behalf. Customers requesting nomination changes on days subsequent to the first day commencing at 9:00 a.m. Central Clock time must directly advise Company's Gas Control Department by 9:00 a.m. (Central Clock time) on the preceding day of the volumes to be delivered on their behalf. Intraday nominations will be accepted by the Company on a best efforts basis, provided the nomination is confirmed by the interstate pipeline.

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## TRANSPORTATION RATE SCHEDULE (Continued)

6. Balancing: To assure Company's system integrity, the customer is responsible for: 1) providing nominations which accurately reflect customer's expected consumption, and 2) balancing deliveries to Company's system with volumes consumed at the delivery points.
7. Balancing and Scheduling Charges: Failure to fulfill these responsibilities will result in the customer incurring balancing and/or scheduling charges as described below.

These charges are applicable only to Company's town plant customers whose supply requirements could impact other customers and do not apply to Company's mainline customers who are the only customer taking gas at those points or MERC's SLVI-NNG Transport or SLVI-Consolidated Transport customers. However, each mainline or SLVI-NNG Transport and SLVI-Consolidated Transport customer must pay for any balancing or scheduling penalties from pipelines that the customer causes Company to incur.

Daily Scheduling Charges

This section is applicable to all transportation customers except for Company's mainline or SLVI-NNG Transport or SLVI-Consolidated Transport customers. Mainline or SLVI-NNG Transport and SVLI-Consolidated Transport customers must pay for any balancing or scheduling penalties from pipelines that they cause Company to incur. Except as noted below, the following charges will apply:

Northern Natural Gas – Daily Scheduling Charges

- A. A tolerance of +/-5% of confirmed nomination will be applied
- B. For consumption within tolerance, no scheduling charges will be applied.
- C. For consumption outside tolerance, a scheduling charge shall be applied to the volume exceeding tolerance equal to the maximum effective Northern Natural Gas TI rate for the customer's market area.

On days that Northern Natural Gas calls a **System Overrun Limitation** the following charges will be in effect:

- A. For consumption greater than the confirmed nomination, the following charges will be applied:
  - 1. For consumption up to 105% of confirmed nomination, \$1.00 per dekatherm in excess of confirmed nomination up to 105%.
  - 2. For consumption greater than 105% of confirmed nomination, \$10.66 per dekatherm in excess of 105% of confirmed nomination.
- B. For consumption less than the confirmed nomination, there is no charge.

On days that Northern Natural Gas calls a **System Underrun Limitation** the following charges will be in effect:

## TRANSPORTATION RATE SCHEDULE (Continued)

- A. For consumption greater than the confirmed nomination, there is no charge.
- B. For consumption less than the confirmed nomination, \$1.00 per dekatherm.

On days that Northern Natural Gas calls a **Critical Day** the following charges will be in effect:

- A. For consumption greater than the confirmed nomination, the following charges will be applied:
  - a. For consumption up to 102% of confirmed nomination, \$15.00 per dekatherm in excess of confirmed nomination up to 102%.
  - b. For consumption greater than 102% up to 105% of confirmed nomination, \$22.00 per dekatherm in excess of 102% up to 105% of confirmed nomination.
  - c. For consumption greater than 105% up to 110% of confirmed nomination, \$56.50 per dekatherm in excess of 105% up to 110% of confirmed nomination.
  - d. For consumption greater than 110% of confirmed nomination, \$113.00 per dekatherm in excess of 110% of confirmed nomination.
- B. For consumption less than the confirmed nomination, there is no charge.

These charges are in addition to any Company charges, as provided for in Company tariff, for unauthorized takes of gas when service is interrupted.

Great Lakes and Viking – Daily Scheduling Charges

Any penalties incurred as a result of the customer will be passed along to the customer.

Any upstream costs that can be specifically identified as being caused by a specific end use customer will be assigned to that customer.

These charges are in addition to any Company charges, as provided for in Company's tariff, for unauthorized takes of gas when service is interrupted.

Monthly Imbalances

This Section is applicable to all transportation customers. Mainline or SLVI-NNG and SLVI-Consolidated Transport customers must pay for any balancing or scheduling penalties from pipelines that they cause Company to incur. As imbalances occur, Company and the customer will attempt to correct them within the same month in which they occur. Failing such a correction, the imbalances will be corrected on a monthly basis through the following cash out procedure:

## TRANSPORTATION RATE SCHEDULE (Continued)

Northern Natural Gas—Monthly Imbalances

The difference between confirmed nominated volumes and actual consumption will be charged or credited to the customer based on the appropriate Market Index Price (MIP). The basis for the MIP shall be the average weekly prices as quoted for the Ventura and Demarc points in Gas Daily for a 5 week period starting on the first Tuesday of the calendar month for which the MIP is being established and ending on the first or second Monday of the following month, whichever is applicable, to arrive at a 5 week period.

The MIPs shall be determined as follows:

**High MIP:** The highest weekly average during the 5 week period for the applicable month, plus pipeline fuel at the effective pipeline fuel rate, plus pipeline commodity at the effective pipeline commodity rate, plus a capacity release value, which will be deemed to be \$0.07/dekatherm.

**Low MIP:** The lowest weekly average during the 5 week period for the applicable month, plus pipeline fuel at the effective pipeline fuel rate, plus pipeline commodity at the effective pipeline commodity rate.

**Average MIP:** The average of the weekly averages during the 5 week period for the applicable month, plus pipeline fuel at the effective pipeline fuel rate, plus pipeline commodity at the effective pipeline commodity rate.

In addition, the cash out price is tiered to encourage good performance and discourage gaming of the system.

<u>Imbalance Level</u>	<u>Due Company</u>	<u>Due Customer</u>
0% - 3%	High MIP * 100%	Low MIP * 100%
For the increment that is greater than 3% up to 5%	High MIP * 102%	Low MIP * 98%
For the increment that is greater than 5% up to 10%	High MIP * 110%	Low MIP * 90%
For the increment that is greater than 10% up to 15%	High MIP * 120%	Low MIP * 80%
For the increment that is greater than 15% up to 20%	High MIP * 130%	Low MIP * 70%
For the increment that is greater than 20%	High MIP * 140%	Low MIP * 60%

Example:

If the nominated volume was 100 dekatherm and the actual consumption was 130 dekatherm, there is an imbalance of 30 dekatherm due Company. The transportation customer would owe Company the following amount using the above hypothetical High MIP of \$2.23: (\*)

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TRANSPORTATION RATE SCHEDULE (Continued)

3 dekatherm at MIP * 100%	\$ 6.69
2 dekatherm at MIP * 102%	\$ 4.55
5 dekatherm at MIP * 110%	\$12.26
5 dekatherm at MIP * 120%	\$13.38
5 dekatherm at MIP * 130%	\$14.49
10 dekatherm at MIP * 140%	<u>\$31.22</u>
	\$82.59

(\* ) These hypothetical prices are used for illustration purposes only.

If the pipeline provides an imbalance to storage option, and the transporter has a storage account on the pipeline, Company and the transporter may transfer imbalances to or from pipeline storage accounts, provided certain conditions are met. If the transaction would cause Company’s storage account to breach any contractual limitations, or would otherwise cause undue harm to Company’s management of its storage accounts, the storage transfer may not be allowed. If there are any charges from the pipeline to effectuate the storage transfer, the customer will be responsible for payment of any such actual costs.

Viking and Great Lakes – Monthly Imbalances

If the monthly imbalance is due to a deficiency of deliveries (customer excess) relative to scheduled nominations, Company shall pay customer in accordance with Schedule A below. If the monthly imbalance is due to an excess of deliveries (customer shortfall) relative to scheduled nominations, customer shall pay Company in accordance with Schedule B below. In addition to correcting the monthly imbalance in cash, (a) Company shall pay to customer the “Transportation Component” if deliveries are greater than scheduled nominations, or (b) Customer shall pay to Company the “Transportation Component” if deliveries are less than scheduled nominations. For Viking, the “Transportation Component” shall be equal to the Commodity Rate under Rate Schedule FT-A rate for transportation to the applicable zone multiplied by the monthly imbalance, plus an applicable fuel and use charges, as stated in Viking’s tariff. For Great Lakes, the “Transportation component” shall be equal to the Usage Rate under Rate Schedule FT, for a West to West transport (Emerson to Cloquet) multiplied by the monthly imbalance plus fuel, plus FERC’s Annual Charge Adjustment (ACA), plus Gas Research Institute charge (GRI), as stated in Great Lakes tariff.

Schedule A

% Monthly Imbalance	Company Pays Customer Following % of the Index Price
0-5%	100% Average Monthly
>5-10%	85% Average Monthly
>10-15%	70% Average Monthly
>15-20%	60% Average Monthly
>20%	50% Average Monthly

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TRANSPORTATION RATE SCHEDULE (Continued)

Schedule B

% Monthly Imbalance	Customer Pays Company Following % of the Index Price
0-5%	100% Average Monthly
>5-10%	115% Average Monthly
>10-15%	130% Average Monthly
>15-20%	140% Average Monthly
>20%	150% Average Monthly

The Index Price shall be determined on a weekly and monthly basis. Each Weekly Index Price shall equal the price of gas at Emerson, Manitoba as published in the “Weekly Price Survey” of Gas Daily for such week. For purposes of determining the cashout of imbalances in accordance with Schedules A and B herein, the “Average Monthly Index Price” shall be the average of the Weekly Index Prices determined during a given month.

If Gas Daily’s “Weekly Price Survey” is no longer published, customer and Company shall meet to undertake to agree upon alternative spot price indices.

- 8. Pipeline Charges: Any charges which Company incurs from the pipeline on behalf of a customer shall be passed through to that customer.
  
- 9. Aggregation Service: A Marketer or other third-party supplier may combine a group of transportation customers that have the same balancing provisions and are located on the same interstate pipeline system and within the same interstate pipeline operational zone. If the Marketer or other third-party supplier purchases this aggregation service, the aggregated group will be considered as one customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e., individual customer nominations and consumption will be summed and treated as if there were one customer. In the event that the pipeline calls a limitation day (SOL, SUL, critical day) at less than a pipeline or zone level, the Company has the right to require the aggregation provisions to occur at the same level.

The cost of the aggregation service is \$.0425 per dekatherm of gas delivered to the aggregated group.

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## TRANSPORTATION RATE SCHEDULE (Continued)

10. Small Volume Balancing Service

Daily Balancing: Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company's Small Volume Balancing Service in lieu of meeting Company's Transportation Tariff daily scheduling requirements. Customers who elect this service shall enter into a Small Volume Balancing Service agreement with Company.

Customers choosing this daily balancing service must submit a daily nomination to Company on those days the service is used. Under certain circumstances described below, Company may, at its option, require customer to deliver its MDQ, as defined in General Rules, Regulations, Terms and Conditions, to the Receipt Point up to a cumulative 20 days (in addition to interstate pipeline OFO and critical days) during the months of November through March. If MDQ delivery does not occur then customer must curtail to the level of their confirmed nomination. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that interstate pipeline calls a Critical Day or Operational Flow Order, customer must, without notice from Company, deliver its MDQ to the receipt point. In the event that Company calls a Critical Day, as defined in general Rules, Regulations, Terms and Conditions, or issues an Operational Flow Order as defined in general Rules, Regulations, Terms and Conditions, Company will notify customer via fax that customer must deliver its MDQ to the Receipt Point. Company will provide customer with at least 25 hours notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to customer, that customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order. If customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order, or the Company has called a critical day, then Company shall assess a penalty to customer for each dekatherm that customer failed to deliver in an amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow Order and customer fails to deliver its MDQ then Company will assess a penalty to customer in an amount equal to that identified in 13 below for each dekatherm that customer failed to deliver.

The cost of the service is 7.0¢ per dekatherm transported on Company's system. Revenues collected from this balancing service will be credited against the cost of sales gas (demand and commodity) Weighted Average Cost of Gas (WACOG).

11. Large Volume Balancing Service (LVBS) Program

This service is available to Large Volume Transportation customers that have telemetry equipment installed. This service is also available to aggregators that have pooled Large Volume Transportation customers with telemetry equipment installed. The service is not available to mainline customers or customers with end user allocation agreements. Company shall have the right to deny service if it deems the customer or aggregator is intentionally over or under nominating. Customers who elect this service shall enter into a Large Volume Balancing Service agreement with Company.

This service allows the customer to purchase additional swing capability. This allows the customer's daily usage to vary from its nomination by the amount of service that the customer chooses to purchase, beyond the tolerance permitted under Section 7 of this Transportation Rate Schedule. For example, a customer purchasing 20 units of LVBS and nominating 100 MMBtu on a normal day would be permitted to consume as little as 75 MMBtu or as much as 125 MMBtu during that day before incurring any daily scheduling charges.  $(100 \times 5\% + 20 = 25 \text{ MMBtu} +/-)$ .

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## TRANSPORTATION RATE SCHEDULE (Continued)

This service will not be available on pipeline SOL, SUL, or Critical Days. Likewise, this service shall not be available on any day that the Company issues a Curtailment Day, or any other day that the Company determines, in its sole judgment, that the service would be detrimental to its General Service customers.

The reservation rate for this service is \$2.18 per dekatherm. This rate is equivalent to Northern Natural Gas' SMS demand charge. A variable charge of \$0.0208 per dekatherm shall be applied to those volumes consumed outside the daily tolerance level of +/- 5%. This rate is equivalent to NNG's SMS variable/commodity rate. The Company will change the rates for LVBS any time NNG changes its rate for SMS by calculating the new SMS rate using a 50% utilization factor. The Company will submit a miscellaneous tariff filing, including revised tariff sheets, with the Minnesota Public Utilities Commission any time it proposes to adjust this rate due to a change in the SMS rate. Revenues collected from this service will be credited against the cost of sales gas. The term of service is one month commencing on the first gas day of the calendar month and shall remain in effect from month-to-month thereafter until terminated by either party by thirty days written notice.

12. Payment: The bill is due seventeen days after issuance. There shall be a late payment charge of one and one-half percent per month on the unpaid balance.
13. Penalty for Unauthorized Takes When Service is Interrupted or Curtailed: If customer fails to curtail its use of gas hereunder when requested to do so by Company, customer shall be billed at the transportation charge, plus the cost of gas Company secures for the customer, plus the greater of either the pipeline daily delivery variance charges (see Sheet 6.50) or \$50 per dekatherm, whichever is applicable, for gas used in excess of the volumes of gas to which customer is limited. Company may in addition disconnect customer's supply of gas if customer fails to curtail its use thereof when requested by Company to do so.
14. Notification: Company will provide written notice to each customer contracting for transportation service that unless the customer buys joint service from Company, Company is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges Company incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 14 above, and the price for such gas.
15. End User Allocation Agreement: Company will enter into and/or maintain an End User Allocation Agreement ("EUAA") with any transportation customer requesting such EUAA under the following conditions: (1) Customer must have telemetry installed at its facility; (2) Such EUAA will not negatively impact Company's sales customers; and (3) Northern Natural Gas Company is willing to enter into such EUAA.
16. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

**RATE SCHEDULE SLVI-NNG  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE**

1. Availability: Service under this rate schedule is available to large volume transport customers served by Northern Natural Gas within two (2) miles of an alternate supply source.
  
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at anytime upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate it has such capacity and fuel supplies. Customer must have capacity to take 1,666 dekatherm or more per day and annual consumption of .5 Bcf (500,000 dekatherm), except that, where consumption falls below this level due exclusively to efforts to conserve energy, or temporarily due to a strike or shutdown, customer is still eligible to take service under this tariff. Customer must document conservation efforts to justify consumption below .5 Bcf. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a DFC for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
  
3. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
  
4. Rate  
Customer Charge – The customer charge shall be \$360.00 per month per meter plus a charge of \$110.00 per month for administrative costs related to transportation.  
  
Tariff Margin Charge:  
All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin of \$0.00448 per therm for CIP-Exempt and \$0.03215 per therm for CIP-Applicable. Additional costs will be assigned as they are authorized by the FERC or state Commissions to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs.  
  
Volume Adjustment: Rates based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions.  
  
Btu's will be calculated on an arithmetic average.

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RATE SCHEDULE SLVI-NNG  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)5. Special Conditions

- A. Customer must have arranged for the purchase of gas other than MERC system supply and for its delivery to MERC's system. MERC shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to MERC's system.
- B. The customer shall execute a written contract for transportation services pursuant to this rate schedule containing such terms and conditions as MERC may reasonably require.
- C. All transportation customers other than farm tap customers must have MERC install telemetry equipment at the customer's expense. The telemetry equipment must be installed prior to the commencement of natural gas service to the customer. MERC will offer financing for periods up to 90 days interest free. MERC will offer financing with interest to a customer to pay for the installation of telemetry equipment for a period of more than 90 days but not more than 12 consecutive months on a non-regulated basis. The telemetry equipment and any other improvements made by MERC shall remain the property of MERC.
- D. MERC's sales refunds applicable to the period when gas is transported will not be made to transportation customers.
- E. The order of gas delivery for purposes of billing will be as follows:
  - a. First, customer-owned firm volumes.
  - b. Second, customer-owned interruptible volumes.
  - c. Third, sales gas priced per MERC's applicable sales tariffs.
- F. Customer agrees to curtail the use of gas purchased from third party suppliers of gas when the gas purchased from the third party is not delivered to MERC's system.
- G. Customers may transfer to Transportation Service for the period November 1 through October 31 after giving MERC ninety days advance notice prior to November 1. A transportation customer must maintain transportation service for the entire November through October period. A transportation customer may not return to sales service until the next November 1st and must notify MERC in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if MERC is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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RATE SCHEDULE SLVI-NNG  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

6. Nomination: Customers requesting volumes to flow on the first day of any month must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on their behalf. Customers requesting nomination changes on days subsequent to the first day commencing at 9:00 a.m. Central Clock time must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) on the preceding day of the volumes to be delivered on their behalf. Intraday nominations will be accepted by MERC on a best efforts basis.
7. Balancing: To assure MERC system integrity, the customer is responsible for: 1) providing nominations which accurately reflect customer's expected consumption, and 2) balancing deliveries to MERC's system with volumes consumed at the delivery points.
8. Balancing and Scheduling Charges: Failure to fulfill these responsibilities will result in the customer incurring balancing and/or scheduling charges. MERC's SLVI-NNG transport customers must pay for any balancing and scheduling penalties from pipelines that the customer causes MERC to incur.
9. Pipeline Charges: Any charges which MERC incurs from the pipeline on behalf of a customer shall be passed through to that customer.

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RATE SCHEDULE SLVI-NNG  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

10. Aggregation Service: A Marketer or other third-party supplier may combine a group of transportation customers that have the same balancing provisions and are located on the same interstate pipeline system and within the same interstate pipeline operational zone. If the Marketer or other third-party supplier purchases this aggregation service, the aggregated group will be considered as one customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e. individual nominations and consumption will be summed and treated as if there were one customer. In the event that the pipeline calls a limitation day (SOL, SUL, critical day) at less than a pipeline or zone level, the Company has the right to require the aggregation provisions to occur at the same level.

The cost of aggregation service is \$.0425 per dekatherm of gas delivered to the aggregated group.

11. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid within 17 days of the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

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## RATE SCHEDULE SLVI

## SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

12. Penalty for Unauthorized Takes When Service Is Interrupted: Customer shall be billed and shall pay \$50.00 per dekatherm for unauthorized overrun gas in addition to the rates in Paragraph "3".
13. Notification: MERC will provide written notice to each customer contracting for transportation service that unless the customer buys joint service from MERC is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges MERC incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 12 above, and the price for such gas.
14. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

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**RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE**

1. Availability: Service under this rate schedule is available to large volume transport customers served by Viking Gas Transmission or Great Lakes Gas Transmission within two (2) miles of an alternate supply source.
2. Applicability and Character of Service: This rate schedule shall apply to large volume gas service which is subject to interruption at anytime upon order of MERC. Customer must have and maintain both the proven capability and adequate fuel supplies to use alternative fuel if MERC's service to such customer is interrupted. At MERC's request, the customer must demonstrate it has such capacity and fuel supplies. Customer must have capacity to take 1,666 dekatherm or more per day and annual consumption of .5 Bcf (500,000 dekatherm), except that, where consumption falls below this level due exclusively to efforts to conserve energy, or temporarily due to a strike or shutdown, customer is still eligible to take service under this tariff. Customer must document conservation efforts to justify consumption below .5 Bcf. A customer may transfer to joint gas service for the period November 1 through October 31 after giving the Company ninety days advance notice prior to November 1. A joint customer must maintain joint gas service and must nominate a DFC for the entire November through October period. A joint customer may not return to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.
3. Transfer of Service: If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.
4. Rate  
Customer Charge: The customer charge shall be \$360.00 per month per meter plus a charge of \$110.00 per month for administrative costs related to transportation.  
Tariff Margin Charge:  
All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin of \$.00873/therm for CIP-Exempt and \$0.03640 per therm for CIP-Applicable. Additional costs will be assigned as they are authorized by the FERC or state Commissions to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs.
5. Volume Adjustment: Rates based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

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Vice President-Regulatory Affairs  
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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

6. Special Conditions

- A. Customer must have arranged for the purchase of gas other than MERC system supply and for its delivery to MERC's system. MERC shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to MERC's system.
- B. The customer shall execute a written contract for transportation services pursuant to this rate schedule containing such terms and conditions as MERC may reasonably require.
- C. All transportation customers must have MERC install telemetry equipment at the customer's expense. The telemetry equipment must be installed prior to the commencement of natural gas service to the customer. MERC will offer financing for periods up to 90 days interest free. MERC will offer financing with interest to a customer to pay for the installation of telemetry equipment for a period of more than 90 days but not more than 12 consecutive months on a non-regulated basis. The telemetry equipment and any other improvements made by MERC shall remain the property of MERC.
- D. MERC's sales refunds applicable to the period when gas is transported will not be made to transportation customers.
- E. The order of gas delivery for purposes of billing will be as follows:
  - d. First, customer-owned firm volumes.
  - e. Second, customer-owned interruptible volumes.
  - f. Third, sales gas priced per MERC's applicable sales tariffs.
- F. Customer agrees to curtail the use of gas purchased from third party suppliers of gas when the gas purchased from the third party is not delivered to MERC's system.
- G. Customers may transfer to Transportation Service for the period November 1 through October 31 after giving MERC ninety days advance notice prior to November 1. A transportation customer must maintain transportation service for the entire November through October period. A transportation customer may not return to sales service until the next November 1st and must notify MERC in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if MERC is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

A customer may only transfer to firm sales service if MERC is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers.

7. Nomination: Customers requesting volumes to flow on the first day of any month must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on their behalf. Customers requesting nomination changes on days subsequent to the first day commencing at 9:00 a.m. Central Clock time must directly advise MERC's Gas Control Department by 9:00 a.m. (Central Clock time) on the preceding day of the volumes to be delivered on their behalf. Intraday nominations will be accepted by MERC on a best efforts basis.
8. Balancing: To assure MERC system integrity, the customer is responsible for: 1) providing nominations which accurately reflect customer's expected consumption, and 2) balancing deliveries to MERC's system with volumes consumed at the delivery points.
9. Balancing and Scheduling Charges: Failure to fulfill these responsibilities will result in the customer incurring balancing and/or scheduling charges. MERC's SLVI-Consolidated transport customers must pay for any balancing and scheduling penalties from pipelines that the customer causes MERC to incur.
10. Pipeline Charges: Any charges which MERC incurs from the pipeline on behalf of a customer shall be passed through to that customer.

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

11. Aggregation Service: A Marketer or other third-party supplier may combine a group of transportation customers that have the same balancing provisions and are located on the same interstate pipeline system and within the same interstate pipeline operational zone. If the Marketer or other third-party supplier purchases this aggregation service, the aggregated group will be considered as one customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e. individual nominations and consumption will be summed and treated as if there were one customer. In the event that the pipeline calls a limitation day (SOL, SUL, critical day) at less than a pipeline or zone level, the Company has the right to require the aggregation provisions to occur at the same level.

The cost of aggregation service is \$.0425 per dekatherm of gas delivered to the aggregated group.

12. Late Payment Charge: If the unpaid balance is in excess of \$10, a late payment charge of 1.5% of the unpaid balance or \$1 whichever is greater shall be added to the unpaid balance if the bill is not paid within 17 days of the current billing date. No late payment charge will be made if the unpaid balance is \$10 or less.

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RATE SCHEDULE SLVI-CONSOLIDATED  
SUPER LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

13. Penalty for Unauthorized Takes When Service Is Interrupted: Buyer shall be billed and shall pay \$50.00 per dekatherm for unauthorized overrun gas in addition to the rates in Paragraph “3.”
  
14. Notification: MERC will provide written notice to each customer contracting for transportation service that unless the customer buys joint service from MERC is not obligated to supply gas to such customer. The notice will advise the customer of the nature of any identifiable penalties related to the balancing and scheduling charges as provided in Section 7 above, any charges MERC incurs from the pipeline on behalf of the customer, unauthorized take charges described in Section 12 above, and the price for such gas.
  
15. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

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## FLEXIBLE RATE GAS SERVICE RIDER

1. Availability: Service under this rate schedule is available to any non-general-service customer.
2. Applicability and Character of Service:

Service under this rate schedule is limited to customers subject to effective competition. (“Effective competition” means that a customer who either receives interruptible service or whose daily requirement exceeds 50 dekatherm maintains or plans on acquiring the capability to switch to the same, equivalent or substitutable energy supplies or service, except indigenous biomass energy supplies composed of wood products, grain, biowaste, or cellulosic materials, at comparable prices from a supplier not regulated by the Commission.)

A customer whose only alternative source of energy is gas from a supplier not regulated by the Commission and who must use Company’s system to transport the gas is not eligible for flexible-rate service. However, customers who have or can reasonably acquire the capability to bypass Company’s system are eligible to take service under flexible tariffs.
3. Rate:

Minimum and maximum charges are shown on Sheet 7.07, Columns I and J, for each class of customers eligible to take flexible-rate service.

  - A. The Customer Charge shall be the amount in the applicable non-flexible tariff under which customer would otherwise take service.
  - B. The minimum charge for daily firm capacity shall be the amount the interstate pipeline charges Company.
  - C. The rate for gas delivered shall be at least \$0.0045 per therm.
  - D. The minimum monthly bill shall be the sum of the Customer Charge, the daily firm capacity charge, and the tariff margin charge for all volumes taken subject to and computed in accordance with Part C.
  - E. Rates set forth on Sheet 7.07 are base rates subject to change in accordance with the Provisions of Purchased Gas Adjustment - Uniform Clause.
4. Volume Adjustment: Rates are based on gas with the equivalent heating value of 1,000 Btu’s. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A of MERC’s General Rules, Regulations, Terms and Conditions. Btu’s will be calculated on an arithmetic average.

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## FLEXIBLE RATE GAS SERVICE RIDER (Continued)

5. General Terms and Conditions:  
All terms of the non-flexible tariff under which customer would otherwise take service apply. The General Terms and Conditions contained in the tariff book shall also apply to service taken under this rider.
6. Election of Service:  
Service under this rider is at the option of the customer, except that, customers who use alternative energy supplies as described in the Applicability of Service Section are limited to taking service under this rider. Any customer electing service under this rider must remain on this rider for a period of at least one year.
7. Default Rate:  
If a rate cannot be negotiated in a timely manner, the customer agrees to pay Company a default rate equal to the applicable upward flexible rate shown on Sheet 7.07.

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## TRANSPORTATION FOR RESALE NORTHWEST NATURAL GAS

1. Availability: Service under this rate schedule is available to Northwest Natural Gas and other "Transportation for Resale" customers with similar cost characteristics, i.e., customers for whom the cost of providing service is approximately equal to that of Northwest Natural Gas.

2. Applicability and Character of Service: This rate schedule shall apply to transportation service provided for resale to end use customers.

The end-use customers for this service are firm customers. Customers under this rate schedule are required to secure Daily Firm Capacity at the MDQ level. If customers do not secure DFC and demonstrate firm capacity on the pipeline they may be interrupted.

3. Rate:

A. Fixed Charge: The customer charge shall be \$190.00 per month plus a charge of \$110.00 per month for administrative costs related to transportation.

B. Tariff Margin Charge: All volumes received by the customer hereunder shall be charged a rate equal to the tariff margin of \$0.07428 per therm. Additional costs will be assigned as they are authorized by the FERC or state Commissions to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs.

A. Daily Firm Capacity: The rate shall be \$0.10226 per therm, which includes the DFC rate of \$0.01000 per therm for Company distribution system capacity.

The customer is responsible for purchasing interstate pipeline capacity from a third party non-regulated supplier (as demonstrated by providing Company with an Joint Certification signed by the customer and the third party supplier). The customer is also responsible for overrun penalties, balancing charges and any out of balance penalties incurred from its transportation of gas by its pipeline suppliers.

4. Payment: The bill is due seventeen days after issuance. There shall be a late payment charge of one and one-half percent (1.5%) per month on the unpaid balance.

5. Volume Adjustment:

Rates are based on gas with the equivalent heating value of 1000 Btu's. Volumes may be subject to a Btu variance adjustment pursuant to designation 2.A. of MERC's General Rules, Regulations, Terms and Conditions. Btu's will be calculated on an arithmetic average.

6. General Terms and Conditions: The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

## PENALTY FOR UNAUTHORIZED TAKES WHEN SERVICE IS INTERRUPTED

1. Northern Natural Gas Penalty: Should Northern Natural Gas Company call a Critical Day, the penalty for unauthorized takes will be a charge equal to the daily delivery variance charge of the pipeline. Currently, this charge is \$113 per dekatherm and is equal to twice the reservation charge to reserve one (1) MMBTU of capacity under the current Northern Natural Gas Rate Schedule TFX.
2. Viking Gas Transmission Company: Not applicable.
3. Great Lakes Transmission: Not applicable.

NOTE: This tariff will be amended when changes in pipeline tariffs occur.

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## PURCHASED GAS ADJUSTMENT - UNIFORM CLAUSE

1. Rates Subject to the Purchased Gas Adjustment (PGA) Clause: All gas utility rate schedules shall be subject to a gas cost adjustment as defined in 2. and 3. below. Since the Company purchases gas from different supply sources, the Company will determine the delivered cost of gas purchased by Supplier and implement any change in the billing rate which exceeds .3 cents per therm. The Company will also update its PGA every three months since the last change, which exceeded .3 cents per therm.

2. Determination of Purchased Gas Adjustment Amount: For purpose of computing the Purchased Gas Adjustment, the following formula will be used:

$$\frac{PD}{V} + WACOG + \frac{A}{V^I} - B = \text{Gas Cost Adjustment}$$

Where:

PD = Demand Cost: (1) The cost of purchased gas to be sold calculated by multiplying the current cost of purchased gas from each supplier times the last authorized demand volumes approved by the Commission and (2) The costs of firm transportation are calculated by multiplying the current cost from each supplier times the last demand volumes approved by the Commission.

WACOG = Projected weighted average cost of gas: The cost of purchased gas to be sold calculated by multiplying the estimated cost per dekatherm, therm or Btu by supplier (including transportation commodity costs) times the estimated purchase volumes by supplier for the upcoming month.

A = The current balance of unrecovered or over-recovered purchased gas costs. This is calculated once a year and filed each September 1 as explained in 5. on Sheet No. 7.01.

V = The sales volume for the forthcoming twelve month period ending August 31. The annual volumes shall:

- A. Be adjusted to reflect normal temperatures.
- B. Be for the most recent twelve months of the fourteen months immediately preceding the effective date of any demand increase or decrease.
- C. Once normalized, be further adjusted by an average percentage change in normalized sales computed over the preceding three year period.
- D. Also change in accordance with Minnesota Rules 7825.2390 - 7825.3000.

$V^I$  = Projected 12 months sales volumes.

B = Actual purchased gas cost embedded in the gas utility filed rate schedules based on purchase and sales volumes established during the base period including all adjustments approved by the Commission.

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Vice President-Regulatory Affairs

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## PURCHASED GAS ADJUSTMENT – UNIFORM CLAUSE (Continued)

3. Application of Calculation

The formula  $\frac{PD}{V} + \frac{WACOG}{V} + \frac{A}{V} - B$  identified previously will be calculated separately for each supplier and/or supply zone (where separate rate schedules are maintained), if appropriate by class of service for interruptible, firm and general service sales. Demand charges will be assigned on a unit basis to applicable customers.

4. Cost Included in the Purchased Gas Adjustment: The cost of gas included in the computation shall consist of all costs properly included in FERC Accounts 800 through 812, transportation charges and all other charges incurred to obtain gas supplies.5. Frequency of Change: The underrecovery/overrecovery balance adjustments under this provision shall be computed and filed by September 1 of each year.

Accounting Requirement: Subsequent to the effective date of this clause, the Company shall maintain a continuing monthly comparison of the actual cost of gas as shown on the books and records of the Company, exclusive of refunds, and the cost recovery for the same month calculated by multiplying the volumes sold during said month by the currently effective rate for purchased gas. The difference in the actual cost of gas and the cost recovery represents the over/under recovery for the month. The total differences for the twelve-month period ending August 31 represent the balance of underrecovered or overrecovered purchased gas cost for the period. The balance for the period, plus the balance at the beginning of the period, and any adjustments represent the current balance in the Account (“A” in the formula above).

Costs included in the Purchased Gas Adjustment will be offset by the revenues collected from Company’s Small Volume Balancing Service on a yearly basis in the annual Reconciliation Adjustment.

The Company shall maintain an over/under account for each supply zone for the under-recovered or over-recovered purchased gas costs on a monthly basis.

6. Treatment of Refund: Refunds and interest thereon received from the suppliers of purchased gas that are attributable to the cost of gas previously sold will be refunded by credits to bills or by checks within a period not to exceed 90 days from the date the refund is received from a supplier, provided the refund amount per customer is equal to or greater than five dollars. The utility shall include the unrefunded balance as an adjustment to the balance of under recovered or over recovered purchased gas cost for the period as explained in the Accounting Requirements above.7. Information to be Filed with the Commission: Each Purchased Gas Adjustment will be accomplished by filing an application and will be accompanied by such supporting data and information as the Commission may require.

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**CONSERVATION COST RECOVERY CHARGE AND ADJUSTMENT**

1. Applicability of Conservation Cost Recovery Charge and Adjustment:

“Large Energy Facility”, as defined in Minn. Stat. 216B.2421 customers shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the “Large Energy Facility” customers can no longer participate in any utility’s Energy Conservation Improvement Program.

“Large Customer Facility” customers that have been exempted from the Company’s Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, Subd. 1a (b) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the “Large Customer Facility” customers can no longer participate in the Company’s Energy Conservation Improvement Program.

“Commercial Gas Customers” that have been exempted from the Company’s Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, Subd. 1a (c) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the “Commercial Gas Customers” can no longer participate in the Company’s Energy Conservation Improvement Program. The Company has fewer than 600,000 natural gas customers in Minnesota, thus making the Company subject to this Minnesota Statute.

2. Determination of Conservation Cost Recovery Charge (CCRC): The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the MPUC in the Company’s rate case. The CCRC factor is approved and applied on a per therm basis by dividing the test-year CIP expenses by the test-year sales volumes (net of CIP-exempt volumes) The CCRC for each rate schedule is:

All Classes MERC	\$0.02767/therm*
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3. Adjustment: There shall be included on each customer’s monthly bill a CCRA factor multiplied by the customer’s monthly billing therms for gas service before any applicable adjustments, city surcharge, or sales tax.

4. Determination of Conservation Cost Recovery Adjustment Factor (CCRA): The CCRA is calculated for each customer class by dividing the recoverable CIP costs by the projected sales volumes for a designated recovery period, excluding the sales volumes of CIP-exempt customers. The factor may be adjusted annually with approval of the Minnesota Public Utilities Commission. The CCRA for each rate schedule is:

\* Proposed for approval effective with final rates in Docket No. G011/GR-15-736.

## CONSERVATION COST RECOVERY CHARGE AND ADJUSTMENT

All Classes MERC

\$0.00750\*

\*Approved effective January 1, 2017 in Docket No. G011/M-16-385

5. Exemption: For those customer accounts granted an exemption by the Commissioner of the Minnesota Department of Commerce (or successor agency) from Conservation Improvement Program (CIP) costs pursuant to Minnesota Statutes section 216B.241, the CCRC and CCRA shall not apply. Those customer accounts determined by the Commission to qualify as a Large Energy Facility Customers, shall receive a monthly exemption from conservation program charges pursuant to Minn. Stat. § 216B.16, subd. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the Large Energy Facility customers can no longer participate in any utility's energy Conservation Improvement Program.

Under Minn. Stat. 216B.241, any customer account determined by the Commission of the Minnesota Department of Commerce to qualify as a large customer facility shall be exempt from CIP investment and expenditure requirements with respect to retail revenues attributable to the large customer facility. Customer accounts granted exemption by a decision of the Commissioner after the beginning of the calendar year shall be credited for any CIP collections billed after January first of the year following the Commissioner's decision. Upon exemption from the conservation program charges, no exempt customer facility may participate in a utility conservation improvement program unless the owner of the facility submits a filing with the Commissioner to withdraw its exemption.

Under Minn. Stat. 216B.241, any customer account that is not a large customer facility and that purchases or acquires natural gas from a public utility having fewer than 600,000 natural gas customers in Minnesota shall, upon a determination by the Commissioner of the Department of Commerce as qualifying for an opt out of the Conservation Improvement Program, be exempt from CIP investment and expenditure requirements with respect to retail revenues attributable to the commercial gas customers. Customer accounts granted exemption by a decision of the Commissioner after the beginning of the calendar year shall be credited for any CIP collections billed after January first of the year following the Commissioner's decision. Upon exemption from conservation program charges, the customers can no longer participate in any utility's energy Conservation Improvement Program unless the customer submits a filing with the Commissioner to withdraw its exemption.

6. Accounting Requirements: The Company is required to record all costs associated with the conservation program in a CIP Tracker Account. All revenues recovered through the CCRA are booked to the Tracker as an offset to expenses.

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**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-NNG**

**MINNESOTA PUBLIC UTILITIES COMMISSION**  
**125th Revised Sheet No. 7.03**  
**Superceding 124th Revised Sheet No. 7.03**

RETAIL GAS COST ADJUSTMENT PURSUANT TO  
PURCHASE GAS ADJUSTMENT - UNIFORM CLAUSE

Effective **01-Dec-16** the charges for each monthly bill under schedules listed below shall be increased or decreased by adding to each rate block amounts per term detailed below as provided for in the Purchase Gas Adjustment - Uniform Clause as on file with the Minnesota Public Service Commission.

**MERC-NNG**

<b>NORTHERN NATURAL GAS</b>	Prior Cumulative Adjustments	Change Filed Herein	ACA Adjustment	CCRA Factors	Current Adjustment
<u>MDOC Rate Schedule</u>					
<u>General Service</u>					
GS-NNG	(\$0.12442)	\$0.02917	\$0.00301		(\$0.09224)
<u>Small Volume Interruptible</u>					
SVI-NNG	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Large Volume Interruptible</u>					
LVI-NNG	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Small Joint Firm/Interruptible Service</u>					
SVJ-NNG Demand	\$0.00948	\$0.00000	\$0.00000		\$0.00948
Commodity	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Large Joint Firm/Interruptible Service</u>					
LVJ-NNG Daily Firm Capacity	\$0.00948	\$0.00000	\$0.00000		\$0.00948
Commodity	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)
<u>Super Large Volume</u>					
SLVI-NNG Daily Firm Capacity	\$0.00948	\$0.00000	\$0.00000		\$0.00948
Commodity	(\$0.12535)	\$0.02917	\$0.03906		(\$0.05712)

Issued By: **T. T. Eidukas**  
**Vice-President**

Effective Date: **01-Dec-16**

Submittal Date: **29-Nov-16**

MNM0701T

RETAIL GAS COST ADJUSTMENT PURSUANT TO  
PURCHASE GAS ADJUSTMENT - UNIFORM CLAUSE

Effective 1-Dec-16 the charges for each monthly bill under schedules listed below shall be increased or decreased by adding to each rate block amounts per term detailed below as for in the Purchase Gas Adjustment - Uniform Clause as on file with the Minnesota Public Service Commission.

**MERC-Con**

Consolidated		Prior Cumulative Adjustments	Change Filed Herein	ACA Adjustment	Current Adjustment
<u>MDOC Rate Schedule</u>					
<u>General Service</u>					
GS - Con		-0.09129	0.01181	-0.00355	-0.08303
<u>Small Volume Interruptible</u>					
SVI - Con		-0.08388	0.01181	-0.01300	-0.08507
<u>Large Volume Interruptible</u>					
LVI - Con		-0.08388	0.01181	-0.01300	-0.08507
<u>Small Joint Firm/Interruptible Service</u>					
SVJ - Con	Daily Firm Capacity	-0.08628	0.00000	0.00029	-0.08599
	Commodity	-0.08388	0.01181	-0.01300	-0.08507
<u>Large Joint Firm/Interruptible Service</u>					
LVJ - Con	Daily Firm Capacity	-0.08628	0.00000	0.00029	-0.08599
	Commodity	-0.08388	0.01181	-0.01300	-0.08507



**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-Albert Lea (AL)**

**MINNESOTA PUBLIC UTILITIES COMMISSION**  
**19th Revised Sheet No. 7.05**  
**Superceding 18th Revised Sheet No. 7.05**

RETAIL GAS COST ADJUSTMENT PURSUANT TO  
PURCHASE GAS ADJUSTMENT - UNIFORM CLAUSE

Effective 01-Dec-16 the charges for each monthly bill under schedules listed below shall be increased or decreased by adding to each rate block amounts per term detailed below as provided for in the Purchase Gas Adjustment - Uniform Clause as on file with the Minnesota Public Service Commission.

**MERC-Albert Lea (AL)**

**Northern Natural Gas**

<u>MDOC Rate Schedule</u>	<u>Prior Cumulative Adjustments</u>	<u>Change Filed Herein</u>	<u>ACA Adjustment</u>	<u>CCRA Factors</u>	<u>Current Adjustment</u>
<u>General Service</u>					
GS-AL	(\$0.05778)	\$0.02471	\$0.01256		(\$0.02051)
<u>Small Volume Interruptible</u>					
SVI-AL	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293
<u>Large Volume Interruptible</u>					
LVI-AL	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293
<u>Small Volume Joint Firm Interruptible Service</u>					
SVJ-AL Daily Firm Capacity	\$0.00000	\$0.00000	\$0.00000		\$0.00000
Commodity	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293
<u>Large Volume Joint Firm Interruptible Service</u>					
LVJ-AL Daily Firm Capacity	\$0.00000	\$0.00000	\$0.00000		\$0.00000
Commodity	(\$0.05778)	\$0.02471	\$0.03600		\$0.00293

Issued By **T. T. Eidukas**  
**Vice-President**

Effective Date: **01-Dec-16**

Submittal **29-Nov-16**

MNM1216

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-NNG**  
**MERC-Consolidated**  
**MERC-Albert Lea**

MINNESOTA PUBLIC UTILITIES COMMISSION  
 ###th Revised Sheet No. 7.07  
 Superceding ###th Revised Sheet No. 7.07

As proposed in Docket No. G011/MR-15-748										
Per Therm										
Rates Subject to Fuel Adjustment Clause										
(A)	(B)	(C)	(D)	(A+B+C)	(D+E)	(G)	(D-G+D)	(E+G)	(E+H)	
Base Gas Cost**	PGA Adjustment	Annual ACA Adjustment	Tariff Margin	Total Tariff Rate w/o Margin	Total Tariff Rate	Minimum Flex Margin	Maximum Flex Margin	Minimum Total Flex Tariff	Maximum Total Flex Tariff	
<u>Small Volume Interruptible</u>										
SVI-NNG	0.32661	0.00000	0.00000	0.09740	0.32661	0.42401	0.00450	0.19030	0.33111	0.51691
SVI-Consolidated	0.26791	0.00000	0.00000	0.09740	0.26791	0.36531	0.00450	0.19030	0.27241	0.45821
SVI-Albert Lea	0.25975	0.00000	0.00000	0.09740	0.25975	0.35715				
<u>Large Volume Interruptible</u>										
LVI-NNG	0.32661	0.00000	0.00000	0.05329	0.32661	0.37990	0.00450	0.10208	0.33111	0.42869
LVI-Consolidated	0.26791	0.00000	0.00000	0.05329	0.26791	0.32120	0.00450	0.10208	0.27241	0.36999
LVI-Albert Lea	0.25975	0.00000	0.00000	0.05329	0.25975	0.31304				
<u>Daily Firm Capacity-Small Volume</u>										
SVJ-NNG*	0.09226	0.00000	0.00000	0.01000	0.09226	0.10226	0.00000	0.02000	0.09226	0.11226
SVJ-Consolidated	0.07996	0.00000	0.00000	0.01000	0.07996	0.08996	0.00000	0.02000	0.07996	0.09996
SVJ-Albert Lea	0.10379	0.00000	0.00000	0.01000	0.10379	0.11379				
<u>Daily Firm Capacity-Large Volume</u>										
LVJ-NNG*	0.09226	0.00000	0.00000	0.01000	0.09226	0.10226	0.00000	0.02000	0.09226	0.11226
LVJ-Consolidated	0.07996	0.00000	0.00000	0.01000	0.07996	0.08996	0.00000	0.02000	0.07996	0.09996
LVJ-Albert Lea	0.10379	0.00000	0.00000	0.01000	0.10379	0.11379				
<u>Super Large Volume</u>										
S-LV-NNG-Commodity	0.32661	0.00000	0.00000	0.03215	0.32661	0.35876	0.00450	0.05980	0.33111	0.38641
S-LV-NNG-Daily Firm Capacity*	0.09226	0.00000	0.00000	0.00207	0.09226	0.09433	0.00000	0.00413	0.09226	0.09639

\*If customer prefers to be a Transportation only customer, the Base Gas Cost Component of Firm Transportation is the NNG TF12 Base

\*\*Base Gas Cost as approved in Docket No. G011/MR-15-748 for NNG , NNG AL, & Consolidated PGA systems.

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 Vice-President  
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**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-NNG**

**MINNESOTA PUBLIC UTILITIES COMMISSION**

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FIRM TRANSPORTATION SERVICE - TF

Firm Transportation is available to any customer served under a MERC NNG tariff designation.  
 The charges for TF-12, TF5, and TFX are set forth below:

	<u>Class</u>	<u>Reservation Fee</u>	<u>Distribution Charge</u>	<u>Total Charge</u>
		\$/therm	\$/therm	\$/therm
TF-12	SV	\$1.51801 [1]	\$0.25000	\$1.76801
TF-5	SV	\$1.66951 [1]	\$0.25000	\$1.91951
TFX	SV	\$2.27555 [1]	\$0.25000	\$2.52555
TF-12	LV	\$1.51801 [1]	\$0.25000	\$1.76801
TF-5	LV	\$1.66951 [1]	\$0.25000	\$1.91951
TFX	LV	\$2.27555 [1]	\$0.25000	\$2.52555
TF-12	SLV	\$1.51801 [1]	\$0.06200	\$1.58001
TF-5	SLV	\$1.66951 [1]	\$0.06200	\$1.73151
TFX	SLV	\$2.27555 [1]	\$0.06200	\$2.33755

[1] Per Northern Natural Gas Company's FERC Gas Tariff, Sheet Nos. 50, & 51.

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Submission Date to Department Public Service	01-Dec-16	MNM1216
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## GAS AFFORDABILITY SERVICE PROGRAM (“PROGRAM”)

1. Availability:

Available to residential customers in the MERC Minnesota service area who have been qualified and receive assistance from the Low Income Home Energy Assistance Program (“LIHEAP”) during the federal fiscal year (“Program Year”).

2. Program Description and Rate Impact for Qualifying Customers:

This Program shall meet the conditions of Minnesota Statutes, Chapter 216B.16, Subd. 15 on low income programs. The Program has two components: 1) Affordability, and 2) Arrearage Forgiveness. MERC or an agent of MERC, will review current billing and consumption information, approved LIHEAP benefits and household income information as submitted to MERC to determine a Qualified Customer’s affordability bill credit and arrearage forgiveness. A Qualified Customer’s payment each month shall include both payment of the customer’s current month’s bill after inclusion of the affordability bill credit, and payment of a portion of the Qualified Customer’s pre-program arrears.

2.1. *Affordability Component:*

The Affordability component consists of a bill credit determined as one-twelfth of the difference between MERC’s estimate of the Qualified Customer’s annual gas bill and 6% of the Qualified Customer’s household income as provided by the Qualified Customer to MERC. This bill credit is a Program cost that will be included in the Tracker. Any energy assistance sums not applied to arrears will be applied to a Qualified Customer’s current bill.

2.2. *Arrearage Forgiveness Component:*

The Arrearage Forgiveness component consists of a monthly credit that will be applied each month after receipt of the Qualified Customer’s payment. The credit will be designed to retire pre-program arrears over a period of up to 24 months, with the Company matching the Qualifying Customer’s contribution to retiring pre-program arrears. The credit is determined by taking the pre-program arrears divided by the number of months to retire the arrears divided by two and then subtracting any energy assistance sums received by the Company on behalf of the customer divided by the number of months remaining to retire the arrears divided by two. This arrearage forgiveness credit is a Program cost that will be included in the Tracker.

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## GAS AFFORDABILITY SERVICE PROGRAM (“PROGRAM”)(Continued)

3. Conditions of Service:

- 3.1. Enrollment participation is limited to a first come first served basis until the estimated Program dollar cap is reached.
- 3.2. Before the start of an enrollment period, MERC will mail information on the Program and an application to participate in the Program to targeted current LIHEAP customers in arrears. The application for participation must be completed in full and returned to MERC before the close of the enrollment period.
- 3.3. Regardless of arrears balances, MERC agrees to maintain service and suspend collection activities to Qualified Customers if they maintain their payment schedule.
- 3.4. Qualified Customers must maintain an active MERC account in said customer’s name at their permanent primary residence only to be eligible for this Program.
- 3.5. Qualified Customers agree to notify MERC of any changes in address, income level, or household size. Such changes may result in removal from the Program. Additionally, Qualified Customers who do not continue to qualify under the provisions of Section 1 above can be removed from the Program.
- 3.6. If a Qualified Customer fails to pay two consecutive monthly payments in full under the Program, they will be terminated from the Program and will be subject to MERC’s regular collection practices including the possibility of disconnection.

4. Funding:

- .1. Total Program costs, which include start-up costs, Affordability component, Arrearage Forgiveness component and incremental administration costs incurred collectively by MERC shall not exceed \$750,000 per year plus the estimated tracker balance as of December 31, 2011. MERC shall limit administrative costs included in the Tracker (except start-up related costs) to 5% of total Program costs. Administrative costs will include, but are not limited to, the costs to inform customers of the Program and costs to process and implement enrollments.
- 4.2. MERC shall recover Program costs in the Delivery Charge applicable to all firm service customers receiving service under Rate Schedules GS-NNG General Service, GS-Albert Lea General Service, and GS-Consolidated General Service.
- 4.3. A tracking mechanism (“Tracker”) will be established to provide for recovery of actual Program costs as compared to the recovery of Program costs through rates. MERC will track and defer Program costs with regulatory approval. The prudence of the Program costs are subject to regulatory review.

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## GAS AFFORDABILITY SERVICE PROGRAM ("PROGRAM")(Continued)

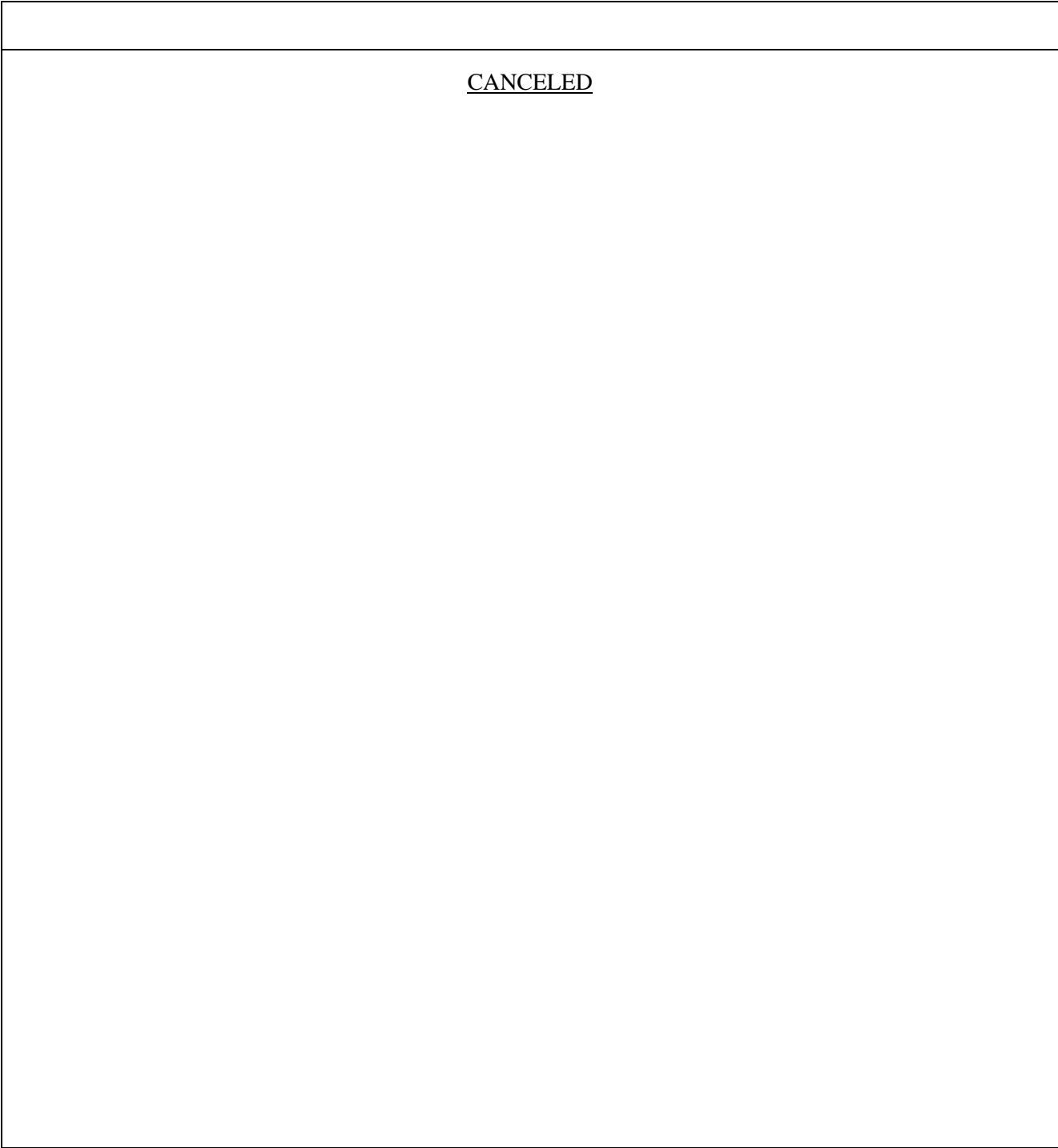
- 4.4. Program costs shall be recovered in the applicable Delivery Charge for all firm service customers receiving service under Rate Schedules GS-NNG General Service, GS-Albert Lea General Service, and GS-Consolidated General Service. Effective October 1, 2015, the surcharge shall be \$0.0000 per therm. MERC may petition the Commission to adjust this rate in order to true-up the Program balance in the Tracker either in a general rate case or at the end of the initial four-year term of the Program.
5. Evaluation:
- 5.1. The Program shall be evaluated before the end of the four year term and may be modified based on annual reports and on a financial evaluation.
- 5.2. The annual reports will include the effect of the Program on customer payment frequency, payment amount, arrearage level and number of customers in arrears, service disconnections, retention rates, customer complaints and utility customer collection activity. The annual reports may also include information about customer satisfaction with the Program.
- 5.3. The financial evaluation will include a discounted cash flow of the Program's cost-effectiveness analysis from a ratepayer perspective comparing the 1) total Program costs, which includes the Affordability component, Arrearage Forgiveness component and total company incurred administration costs, to 2) the total net savings including cost reductions on utility functions such as the impact of the Program on write-offs, service disconnections and reconnections and collections activities. The discounted cash flow difference between total Program costs and total net savings will result in either a net benefit or a net cost to ratepayers for the Program.
6. Program Revocation:
- The Program, upon approval by the Commission, is effective unless the Commission, after notice and hearing, rescinds or amends its order approving the Program.
7. Term:
- The Program is approved through December 31, 2019, with annual reports to be filed by March 31 each year and a program evaluation to be filed by May 31, 2019.
8. Applicability:
- Unless otherwise specified in this tariff, Qualified Customers in the Program shall receive service in accordance with all terms and conditions of the standard gas service tariffs applicable to residential customers.

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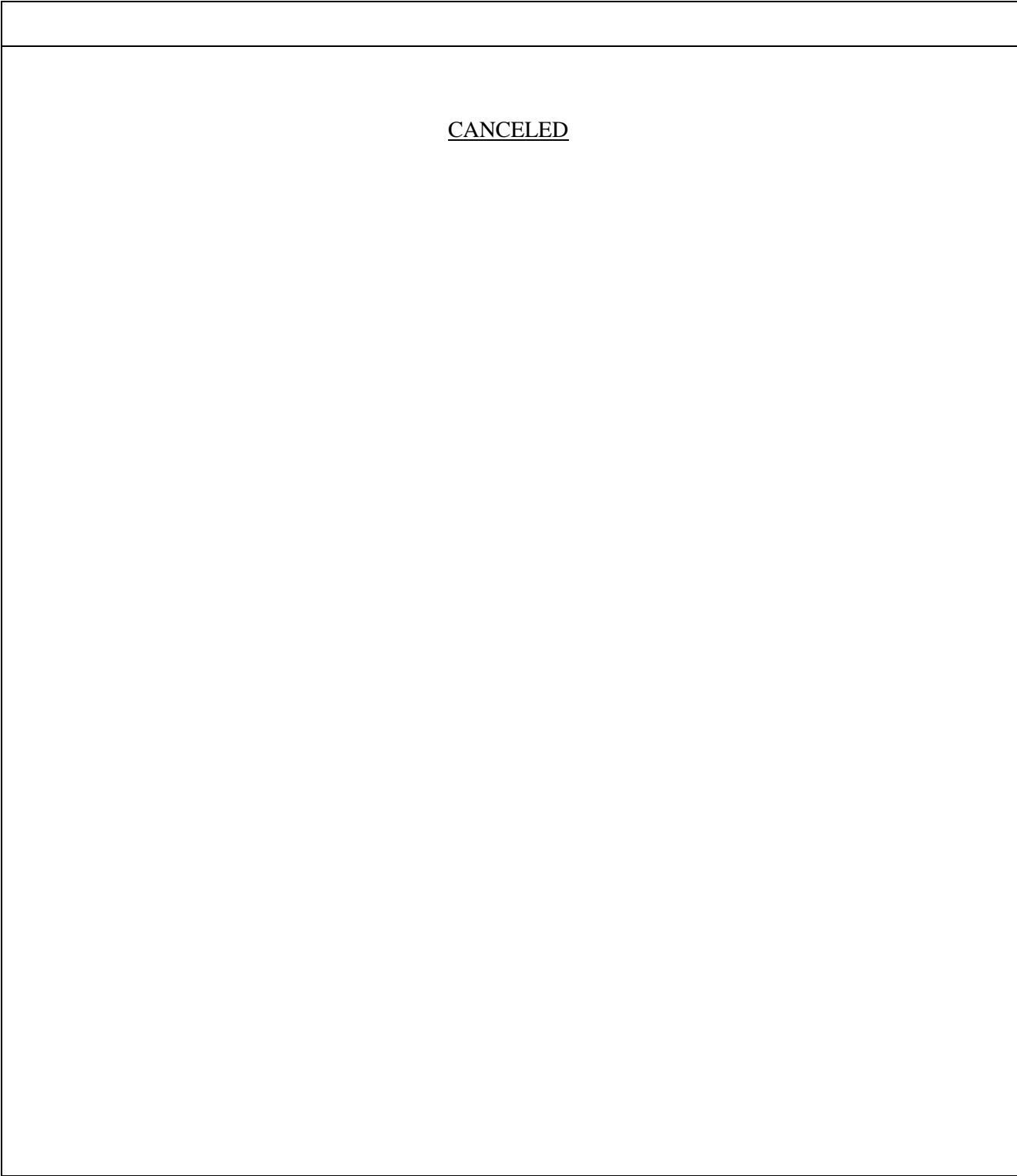
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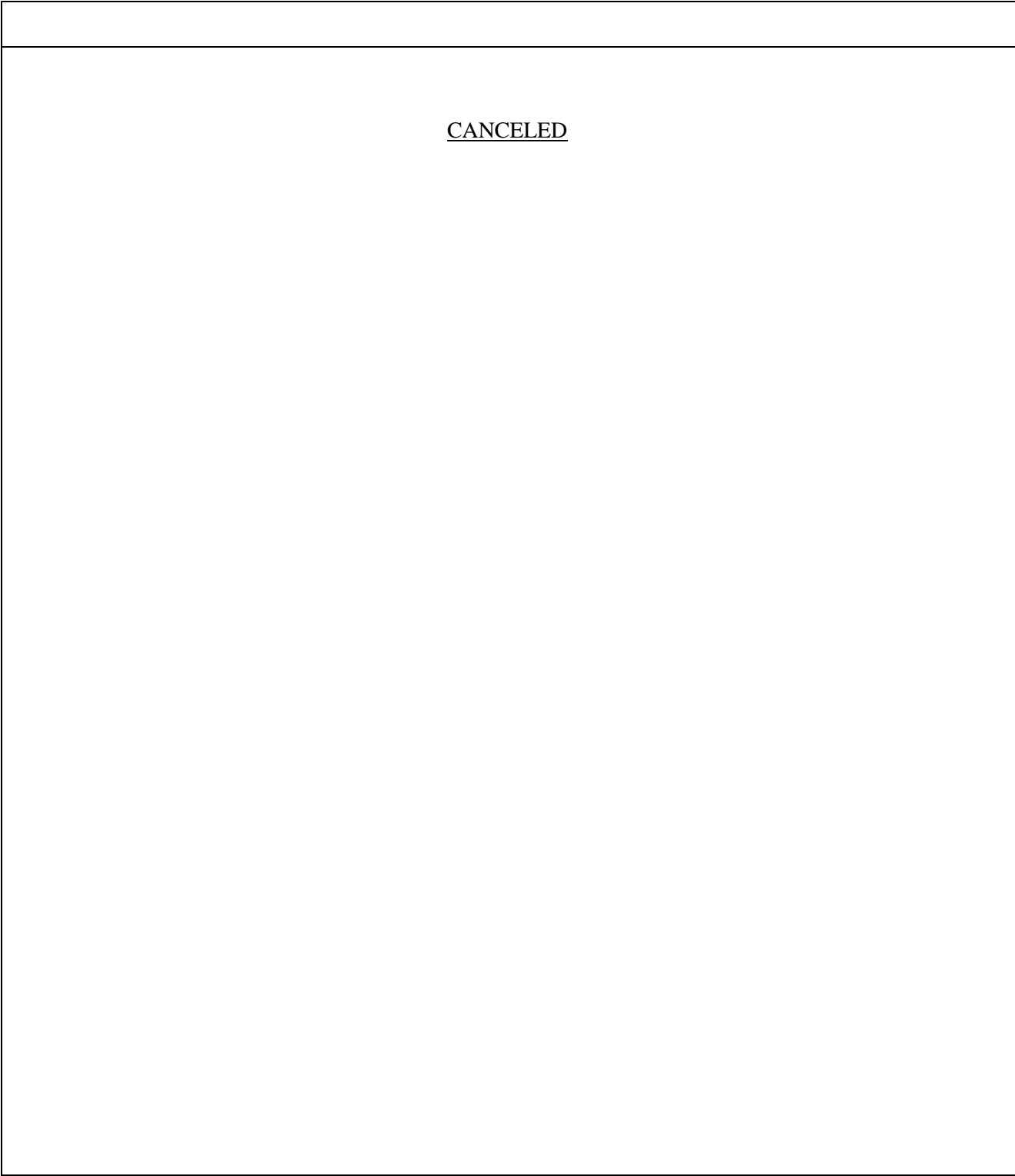




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## REVENUE DECOUPLING MECHANISM (“RDM”)

## 1. Purpose

The purpose of the Revenue Decoupling Mechanism (RDM) is to: (a) reduce the financial disincentive for the Minnesota Energy Resources Corporation (Company) to promote energy efficiency and conservation and (b) promote distribution revenue symmetry by breaking the link between sales volumes and distribution revenues.

## 2. Applicability

The RDM shall apply to all customers served under the Small Volume General Service rate schedules, specifically all Residential and Small Commercial & Industrial customers.

## 3. Definitions

As used in the RDM, the terms below are defined to mean:

Actual Margin (AM) shall mean that dollar amount of distribution revenues, excluding revenues arising from the CCRC and adjustments under the RDM, which were billed for each applicable Rate Schedule Group in the Calendar Year.

Actual Customers (AC) shall mean the number of customers in each applicable Rate Schedule Group in the Calendar Year.

Billing Period shall mean the 12-month period beginning March 1 succeeding the Calendar Year for which the RDM is billed.

Conservation Cost Recovery Charge (CCRC) shall mean the Conservation Cost Recovery Charge imbedded in base volumetric distribution rates.

Factor V (V) shall mean the sales volumes, in therms, projected to be delivered by the Company to customers in each applicable Rate Schedule Group for the Billing Period.

Calendar Year shall mean the Calendar Year that ended as of the most recent December 31.

Rate Case Customers (RCC) shall mean the number of customers that underlie the distribution rates approved by the Commission in the Company’s most recent rate proceeding for each applicable Rate Schedule Group.

Rate Case Margin (RCM) shall mean the dollar amount of distribution revenues arising from the test year sales volumes and distribution charges approved by the Commission in the Company’s most recent rate proceeding for each applicable Rate Schedule Group, less any revenues arising from the CCRC.

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## REVENUE DECOUPLING MECHANISM (“RDM”)(Continued)

Rate Schedule Group shall mean the rate schedule group approved by the Commission in Docket No. G011/GR-15-736 for the purposes of determining a RDM adjustment.

Reconciliation Adjustment (RA) shall mean dollar amounts due the Company (+RA) or the customers (-RA) arising from RDM adjustments that were under-billed or over-billed to each Rate Schedule Group in the Billing Period.

#### 4. Determination of Adjustment

There shall be a separate per therm adjustment amount determined under the RDM for each applicable Rate Schedule Group and such amount shall be determined as follows:

$$\frac{[(RCM / RCC) - (AM / AC)] \times RCC + RA}{V}$$

Where:

RCM = Rate Case Margin for the Calendar Year.

RCC = Rate Case Customers for the Calendar Year.

AM = Actual Margin for the Calendar Year.

AC = Number of Actual Customers for the Calendar Year.

V = Factor V for the Billing Period.

RA = Reconciliation Adjustment as defined in Section 3.

#### 5. Symmetrical Cap

A symmetrical cap of ten percent of non-gas margin rates, excluding CCRC rates, will be imposed on the calculation of the RDM. The cap limits the amount the Company can collect or credit via the RDM to ten percent of distribution revenues.

#### 6. Minnesota Public Utilities Commission (Commission) Authority

If warranted by unforeseen circumstances, the Commission has the authority to modify or suspend the rates set via the RDM calculation during the pilot program.

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## REVENUE DECOUPLING MECHANISM (“RDM”)(Continued)

## 7. Reports

No later than March 1 of each year until the RDM terminates, the Company shall file annually with the Commission a calculation of the RDM adjustments, as well as any applicable reconciliation adjustment calculations, to be effective for each Rate Schedule Group for the Billing Period. Adjustments shall be effective with bills rendered on or after March 1 of the Billing Period and shall continue for 12 months.

No later than May 1 each year, the Company shall file annually with the Commission a Decoupling Evaluation Report for the preceding Calendar Year, with information required by the Commission in Docket Nos. G007,011/GR-10-977 and G011/GR-15-736.

In the event any portions of the proposed RDM adjustments are modified by the Commission, the adjustments shall be adjusted in accordance with the Commission’s Order.

The Company shall record its best estimate of the amounts to be recognized under the RDM so as to reflect in its books and records a fair representation of the impact of the RDM in actual earnings. Such estimates shall be adjusted if necessary, upon filing RDM calculations with the Commission and again upon final Commission approval.

## 8. Pilot Period

Pursuant to the Commission’s Order in Docket No. G011/GR-15-736, the pilot revenue decoupling program is extended through 2019, with RDM adjustments effective through February 2021. The Company may request approval from the Commission to extend the RDM beyond the pilot period.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS:A. Company:

The term “Company” is herein used to designate Minnesota Energy Resources Corporation, or MERC, which furnishes natural gas service under these general rules, regulations, terms and conditions.

B. Commission:

The term “Commission” is herein used to designate the Public Utilities Commission of the State of Minnesota.

C. Customer:

The term “customer” is herein used to designate a person, partnership, association, firm, public or private corporation or governmental agency using gas service supplied by Company subject to the jurisdiction of the Commission.

D. Town Plant:

The term “town plant” refers to the piped distribution system of a city, town, community, village, area, section or region, either incorporated or unincorporated, together with any suburban or contiguous area supplied with gas through a town border station. Town plant service is not limited to the geographical boundaries of the franchise.

E. Town Border Station:

The terms “town border station” and/or “City Gate Station” refer to the site where the gas changes ownership and where Company’s supplier measures and makes delivery of gas to Company. Such site is usually shared by supplier and Company. It is frequently located at the edge of a town and may be the site of check meters, regulators, odorization equipment and other appropriate appurtenances.

F. Types of Customers:1. Residential:

Customers taking natural gas for residential use (space heating, cooling, water heating, clothes drying, etc.) through an individual meter in a single family dwelling or building, or for residential use in an individual flat or apartment, or in a mobile home, or for residential use in not over four households served by a

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS: (Continued)F. Type of Customers (Continued)1. Residential (Continued)

single meter in a multiple family dwelling. Residential premises used regularly for professional or business purposes (doctor's office, small store, etc.) are considered as residential where the residential natural gas usage is half or more of the total gas usage.

2. Commercial:

Customers primarily engaged in wholesale or retail trade, agriculture, forestry, fisheries, transportation, communication, sanitary services, finance, insurance, real estate, personal services (clubs, hotels, rooming houses, five or more households served under a single meter, auto repair, etc.) government and customers whose usage does not directly qualify under one of the other classifications of service. The size of the customer or volume of natural gas used is not a criterion for determining commercial designation. The nature of the customer's primary business or economic activity at the location served determines the customer classification.

3. Industrial:

Customers engaged primarily in a process which creates or changes raw or unfinished materials to another form or product. The size of the customer or volume of use is not a criterion for determining industrial designation. The nature of the customer's primary business or economic activity at the location served determines the customer classification.

4. Joint Rate Service:

Customers taking natural gas service consisting of a base of firm gas volumes supplemented by interruptible gas volumes.

5. Interruptible Service:

Customers taking natural gas service which may be interrupted, curtailed or discontinued at any time at the option of the Company in accordance with the provision of Article 16 hereof.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS: (Continued)F. Types of Customers (Continued)6. Small Volume:

Customers whose maximum daily requirements, both Firm and Interruptible, are less than 200 dekatherms.

7. Large Volume:

Customers whose maximum daily requirements, both Firm and Interruptible, equal or exceed 200 dekatherms.

8. General Service:

The term “general service” customer is herein used to designate a person, partnership, association, firm public or private corporation who meets the requirements for gas service as specified in the Company’s general service rate schedules on file with the Minnesota Public Utilities Commission.

9. Transportation Service:

Any individually metered (except in cases including a single location with multiple tenants) commercial or industrial end user who has contracted for an alternate or supplemental source of gas supply and has requested Company to transport such alternate or supplemental gas for customer’s account.

10. Human Needs Customer:

Any customer including, but not limited to, a school, church, hospital, day care facility, nursing home, or other facility which must maintain its energy service in order to protect the health and welfare of its inhabitants.

11. Marketer:

An entity which represents an end-use customer. A marketer will be considered the end-use customer for purpose of the Aggregation Service.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS (Continued)F. Types of Customers (Continued)12. Firm Service:

Service supplied to customers under schedules or contracts which are not normally subject to curtailment or interruption except under occasional, extraordinary circumstances.

G. Distribution Mains:

That portion of the gas distribution system transporting natural gas from the city gate or town border station to the customer's service line.

H. Service Line:

The pipe that transports natural gas from the main to a customer's meter or the connection to a customer's fuel line, whichever is farther downstream.

I. Point of Delivery:

The point of delivery and the point where Company ownership and maintenance of service pipe ends, shall be at the outlet side of the Company's meter, unless otherwise defined in writing between Company and customer. All yard lines, interior piping, valves, fittings and appliances downstream from this point shall be furnished and maintained by the customer and are subject to the inspection and approval of the Company and other authorities which have jurisdiction.

J. Fuel Line:

All piping, valves and fittings downstream from the point of delivery at the meter to the inlet of the customer's appliance.

K. Abbreviations:

Btu - British Thermal Unit  
psig - Pounds Per Square Inch Gauge  
psia - Pounds Per Square Inch Absolute  
W.C. - Water Column  
Cfh - Cubic Feet Per Hour  
°F - Degree Fahrenheit

L. Disconnection of Service:

"Disconnection of Service" means an involuntary cessation of utility service to a customer or disconnection at the request of the customer as provided at subsection 9 A 9 of these rules.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

1. DEFINITIONS (Continued)M. Temporary Disconnection:

“Temporary Disconnection” means a voluntary cessation of utility service and applied specifically to subsection 9. A. 9(b) of these rules. This is not a permanent termination of service.

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 Company.

O. Daily Firm Capacity (DFC):

This is the amount of capacity the customer must purchase on a daily basis on both the interstate pipeline and the distribution system in order to receive Firm service. This term replaces the term “daily contract demand”. All DFC quantities will be considered as being first through the customer’s meter.

P. Critical Day:

A “critical day” when called by the pipeline has the meaning set forth in the interstate pipeline’s tariff, and when called by the Company, is defined as any day during which in the sole judgment of the Company service is limited due to capacity constraints, operational problems or any other cause. Service limitations include, but are not limited to curtailment or interruption. A critical day may be declared with respect to any one or more delivery and/or receipt points.

Q. Operational Flow Order:

An “operational flow order” when called by the interstate pipeline has the meaning set forth in the interstate pipeline’s tariff, and when called by the Company, is defined as a notice issued by the Company to customer(s) requiring the delivery of specified quantities of gas to Company for the account of customer at times deemed necessary by the Company to maintain system integrity and to assure continued service. An operational flow order may be issued to the smallest affected area for example, a single receipt point, receipt points on a pipeline, or the entire system.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITYA. Quality:

All Suppliers: Natural gas delivered shall be merchantable natural gas suitable for the purposes for which it is sold. There shall be a Btu adjustment when the Btu content of the natural gas delivered varies from 1,000 Btu/cu. ft. A customer's billed consumption (therm or dekatherm) per month will be adjusted according to Btu content of the natural gas delivered. When Company is required to supplement supply with propane-air mixture, liquefied natural gas and/or a synthetic gas mixture, the Btu content will vary. A change in Btu content range by supplier will result in subsequent and like change in gas delivered to customer.

B. Unit of Measurement: For all customers served by the town plant distribution pipeline system the standard unit of measurement shall be a cubic foot at a temperature of 60 °F and at a pressure of 14.73 pounds per square inch absolute.

C. Delivery Pressure: Delivery pressure of natural gas by Company to customers for residential and general service will approximate four ounces. However, delivery pressure for such customer will normally not be less than two ounces or more than eight ounces as measured at the customer's meter outlet. Delivery of gas at a pressure of two psi will be provided to the customer upon request subject to Company approval and compliance with fuel line installation standards of Company and subject to distribution system design and capacity. Where the customer has entered into a standard gas sales contract with the Company, deliveries of gas will be made at the pressure specified in such contract. The customer shall install, operate and maintain at its own expense, such pressure regulating and relief devices as may be necessary to regulate the pressure of gas after delivery to the customer.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)D. Computation of Volumes of Gas Sold:

1. General Service and Small Volume Interruptible Customers: The volume of gas delivered to customer shall be computed at the standard unit of measurement. Where delivery pressure exceeds the standard unit of measurement the volumes will be corrected to the standard unit of measurement in accordance with the A.G.A. Gas Measurement Committee Report No. 3, as amended, or American Meter Handbook No. E-4.
2. Contractual Customers:
  - (a) Measurement Factors: The volume of gas delivered as measured at delivery pressures shall be corrected to the unit of measurement specified in the contract. Measurement and determination of volumes delivered shall be made in accordance with the recommendations set forth in A.G.A. Gas Measurement Committee Report No. 3, as amended, or American Meter Handbook No. E-4, or AGA Report No. 7.
  - (b) Temperature: The temperature of gas delivered and measured shall be assumed to be sixty (60) degrees Fahrenheit. Where a recording thermometer has been installed to record the temperature of the gas flowing through the meters, the arithmetic average of the hourly temperature so recorded shall be used in measurement computation.
  - (c) Specific Gravity: The specific gravity of the gas used in the measurement shall be as determined by the Company's wholesale natural gas suppliers: Northern Natural Gas Company, Great Lakes Gas Transmission Company, and Viking Transmission Company.
  - (d) Heating Value: The heating value of the natural gas which Company receives from its suppliers may vary. Accordingly, from time to time, adjustments in the form of a gas measurement factor may be necessary as specified in the provisions of the various contracts.

The heating value of the gas delivered shall be determined by appropriate industry standard equipment. Such equipment shall be adjusted to record the gross heating value per cubic foot of the gas on a dry basis. Such equipment shall be owned, operated and maintained by Supplier at a point on its facilities to be determined by Supplier; Supplier reserves the right to change the location at any time to a point which is representative of the gas being delivered hereunder.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)E. Meter Standards

1. Meter: The gas delivered by Company to the customer shall be measured by an adequate meter of standard type, installed, operated and maintained by Company.
2. Location: The town plant customer will provide a place on the customer's premises at no cost to the Company for location of the meter. The location of a previously set meter may be changed by the Company at the request of the customer. The expense of the change shall be paid by the customer.
  - (a) Domestic and Small Volume Commercial - Meters will be set and maintained on the customer's premises at a location mutually acceptable to both the Company and the customer after giving due consideration to safety, accessibility for meter reading, prudent investment of materials and the prevailing practice in the community. Alternative locations must be approved by the Company.
  - (b) Large Volume and/or Industrial - Meters will be set at customer's property line nearest the gas main whenever possible. Alternative locations must be approved by Company.
3. Access: The Company's authorized agents shall have access to the Company's meters and pipes at all reasonable times for the purpose of inspection, maintenance, connect, disconnect, leak detection, meter turn off and to ascertain the quantity of gas consumed or registered.
4. Testing: Company shall test its meters at reasonable intervals and shall at the time of the test adjust the meter to record accurately.
5. Customer Requested Meter Test: Upon request, the Company shall make a test of the meter serving a customer provided that such tests need not be made more frequently than once in 18 months. If the meter is found accurate under the provisions of 2. E. 6, the Company may charge the customer not to exceed thirty dollars (one hundred dollars for large volume equipment) or the actual cost of such test, whichever is less.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)E. Meter Standards: (Continued)5. Customer Requested Meter Test: (Continued)

The Company shall notify the customer in advance of the date and time of the requested test so the customer or a representative may be present when the meter is tested.

A report of the results of the test shall be made to the customer within a reasonable time after the completion of the test, and a record of the report, together with a complete record of each test shall be kept on file at the office of the Company.

6. Adjustment of Measurement Errors:

- (a) Fast Meters - Whenever any meter is found upon test to have an average error of more than two percent (2%) fast, Company shall refund to the customer the overcharge. If the error is due to a cause the date of which can be determined with reasonable certainty, then the refund will be computed from that date, but in no event for a period longer than one (1) year. If the period of the inaccuracy cannot be determined, then it shall be assumed that the full amount of the inaccuracy existed during the last half of the period since the meter was last tested but not to exceed six months.

If the recalculated bills indicate that a refund more than one dollar (\$1.00) is due an existing customer, or Two Dollars (\$2.00) is due a person no longer a customer of the Company, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as a credit on a bill. If a refund is due a person no longer a customer of the Company, the Company shall mail to the customer's last known address either the refund or a notice that the customer has three months in which to request a refund from the utility.

- (b) Slow Meters - Whenever any meter is found upon test to have an average error of more than two percent (2%) slow, Company may charge for the gas consumed during the period of inaccuracy, but not included in bills previously rendered. If the error is due to a cause the date of which can be determined with reasonable certainty, then Company may bill the customer for the amount that the test indicates has been undercharged for the period of inaccuracy, but not for a period longer than one (1) year. If the period of inaccuracy cannot be

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)E. Meter Standards: (Continued)6. Adjustment of Measurement Errors: (Continued)(b) Slow Meters (Continued)

determined, then the charge shall be based on a corrected meter reading for a period equal to one-half of the time elapsed since the previous test, but not exceed six months. For the purpose of this billing adjustment, the meter error shall be one-half of the algebraic sum of the error at full-rated flow plus the error at check flow. No back-billing from the time of notification by the customer will be sanctioned if the customer has called to the Company's attention his doubts as to the meter's accuracy and the Company has failed, within a reasonable time, to check it.

If the recalculated bills indicate that the amount due the utility exceeds Ten Dollars (\$10.00), Company may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

(c) Non-Registering Meters

When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, Company may charge for an estimated amount of gas used but in no event shall such charge be for a period longer than one (1) year.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

2. MEASUREMENT AND QUALITY: (Continued)F. Meter Reading:

Meter readings of meters serving customers connected to Company distribution system shall normally be taken by the Company at intervals of approximately 30 days except where noted below. When access to a meter cannot be gained, the customer fails to supply a meter reading form in time for the billing operation or in case of emergency (storms, accidents, etc.), an estimated reading may be rendered. Estimated bills shall be based on the customer's historical actual consumption, if available, or rate schedule history where historical actual consumption is not available. In the case of a customer who has three consecutive estimated billings, the Company will use its best effort to obtain an actual reading. Each customer will receive at least one actual reading within a twelve month period. After a reading is obtained, if there is any material difference, an adjusted bill shall be rendered for the period since the last previous reading of the meter. The Company shall divide the municipality or territory into districts and will read meters in each district at a selected time.

No more than three estimated meter readings will occur for any customer, and no customer will receive estimated bills for two consecutive months more than one time per year.

Rural Customers shall supply meter readings on a form supplied by the Company and return them promptly.

3. COMPANY OWNED ITEMS:

Unless otherwise defined in writing between the customer and the Company, the Company shall own, install and maintain where applicable the following items required to provide service to the point of delivery:

- A. Service pipes.
- B. Meters.
- C. Regulators.
- D. Pressure relief vents and valves.
- E. Shut-off valves.
- F. Connectors and miscellaneous fittings.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

4. STANDARDS FOR CUSTOMER-OWNED FUEL LINES:

When fuel lines are customer owned, customers are responsible for installing and maintaining those fuel lines, including piping and where applicable, appurtenant pressure regulation, valves, jointing, pressure relief valves, fittings and equipment in compliance with the most currently applicable provisions of the American National Standard "National Fuel Gas Code," ANDI Z 223.1-1974 (NFPA No. 54-1974), and Company and local codes and regulations pertaining to natural gas piping.

- A. Emergency Leak Calls. In the event of an Emergency Leak Call, Company will respond in accordance with the requirements of 49 C.F.R. Part 192.615. There will be no charge to the customer for such calls unless a leak or substandard pipes are found and the Company repairs such at the customer's request. In such cases, the provisions under "Emergency Service Disconnection" would apply.
- B. Inspections. In response to either a non-emergency request from the customer for an inspection of the fuel lines or a request from the Minnesota Office of Pipeline Safety for a routine inspection, Company will perform tests in accordance with the National Fuel Gas Code, Company standards and local codes and regulations pertaining to natural gas piping. Testing may include, but shall not be limited to, leak detection tests conducted in and around the customer's residence and "shut-in tests" which involves isolating the section of fuel line from the meter set at the sales point to the customer's line. Non-emergency tests which are conducted at the request of the customer will be at the customer's expense. If an inspection results in the detection of a leak or pipe which is below the code specification, the provisions under "Emergency Service Disconnection" would apply.
- C. Emergency Service Disconnection. If an inspection or a response to an Emergency Leak Call detects a leaking fuel line or a line failing to meet code standards, Company is obligated to "red tag" the meter and prevent any gas from following until customer has ensured that the necessary repairs have been made to reinstate the system into compliance with the safety specifications set out in the National Fuel Gas Code. Customers who choose MERC to provide repair service will pay separately for the service. If immediate replacement or repair is impossible the customer may elect, at the customer's expense, to convert to an alternative source of fuel.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

5. WASTAGE OF GAS

No billing adjustments will be made for wastage of gas that occurs through the customer's fuel line and downstream of the Company's meter even though wastage may occur without the knowledge of the customer. Such wastage, if detected by Company, will be reported to the customer along with necessary recommendations for repair. Wastage of gas which occurs through the Company-owned mains and services will not normally be billed to the customer, provided, however, that any wastage which occurs as a direct result of damage by the customer or a third party to Company property will be billed to that customer or person(s) responsible for such damage.

6. TEMPORARY SERVICE

When the Company renders temporary service to a customer, the customer will bear the costs of installing and removing the service in excess of any salvage realized. The cost shall include the cost of labor, materials, permits, rights-of-way, pavement repairs, taxes imposed on the Company and all other costs incident to the furnishing and installation of the service. The Company may, at its sole discretion, waive all or a portion of such costs.

A customer taking temporary service shall pay the regular rates applicable to the class of service rendered. The rates charged reflect the Commission approved rate of return on that portion of the Company's business under this jurisdiction of this Commission.

The Company may require the customer to make an advance payment sufficient to cover the cost of service as described above.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSITA. Assurance of Payment

The Company may require all customers to make a written application for gas service. If application is approved for service it will be evaluated by the Company and a determination will be made of the need for a cash deposit sufficient to guarantee payment of bills for service rendered. A customer, who within the last 12 months has not had service disconnected for nonpayment of a bill and has not been liable for disconnect for nonpayment of a bill which is not in dispute, shall be deemed to have established good credit.

The Company may in certain situations require a deposit from new customers at the time of application for service and from existing customers. "New Service" means service extended to or requested by any customer who has not received service as a customer for the preceding six months. A utility shall not require a cash deposit or other guarantee of payment as a condition of obtaining new service unless a customer has an unsatisfactory credit or service standing with the utility due to any of the following:

- The customer or applicant has outstanding a prior utility service account with the utility which at the time of request for service remains unpaid and not in dispute;
- The service of a customer or applicant has previously been disconnected for any permissible reason which is not in dispute; or
- The credit history as provided in Minn. Rules 7820.4600 and 7820.4700 demonstrates that payment cannot be assured. The determination of an adequate credit history must be determined by objective criteria, and such criteria must bear a reasonable relationship to the assurance of payment.

Deposits may be required if the existing customer has had service with the company disconnected for nonpayment of an undisputed bill or has been issued a notice of disconnection for an undisputed bill within the last 12 months. "Existing service" means service presently being extended to a customer or which has been extended to a customer within the past six months.

The Company shall not require a deposit of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. The Company shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is unavailable.

No deposit shall be required by Company because of customer's income, home ownerships, residential location, employment tenure, nature of occupation, race, color, creed, sex, marital status, age or national origin, or any other criterion which does not bear a reasonable relationship to the assurance of payment of which is not authorized by Minn. Rules 7820.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)B. Guarantees In Lieu of Deposits

The Company may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to the Company, whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months, but shall automatically terminate after the customer has closed and paid his or her account with the Company, or at the guarantor's request upon 60 days' written notice to the Company. Upon termination of a guarantee contract or whenever the Company deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in Section 11 of these rules. The Company shall mail the guarantor copies of all disconnect notices sent to the customer whose account he or she has guaranteed unless the guarantor waives such notice in writing.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)C. Amount of Deposit to be Required and Interest Paid

The Company shall not require deposit or guarantee of any customer or applicant for service who has established good credit.

The amount of the cash deposit or surety bond required for Residential Customers shall not exceed the amount of the charge for one month's average usage based on annual normalized consumption.

The amount of the cash deposit or surety bond required for non-residential customers shall not exceed an estimated two months' gross bill or existing two months' bill.

The customer may pay deposits in installments.

Interest shall be paid on deposits in excess of \$20. The rate of interest must be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate must be rounded to the nearest tenth of one percent. By December 15 of each year, the commissioner of commerce shall announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year. Interest shall be paid from date of deposit to the date of refund or disconnection. Payment of the interest to the customer will be made at least annually or at the time the deposit is refunded. Interest payments may, at the option of the Company, be made in cash or be a credit to the customer's bill.

**EXCEPTION:** Per order in Docket G-999/CI-05-1832, reconnection fees and deposit requirements are waived for customers receiving benefits through the federal Low-Income Home Energy Assistance Program (LIHEAP) effective December 1, 2005 through April 15, 2006.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)D. Deposit Records and Receipts

Company shall maintain a record of all deposits received from customers showing the name of each customer, the address of the premises for which the deposit is maintained, the date and amount of deposit, and the date and amount of interest paid.

Whenever a deposit is accepted, Company will issue to the customer a nonassignable receipt containing the following minimum information:

- (1) Name of customer.
- (2) Place of deposit.
- (3) Date of deposit.
- (4) Amount of deposit.
- (5) Company name and address, signature and title of Company employee receiving deposit.
- (6) Current annual interest rate earned on deposit.
- (7) Statement of the terms and conditions governing the use, retention and return of deposits.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

7. GUARANTEE DEPOSIT (Continued)E. Deposit Transfers

Service deposits shall be non-transferable from one customer to another customer, however, upon termination of the customer's service at the service address, Company may transfer the deposit to the customer's new active account.

F. Refund of Deposit

Upon termination of service, if the deposit is not to be transferred, the customer's deposit including interest shall be credited on the final bill less any unpaid service due the Company and provided the customer has allowed the Company to remove its meter(s) and equipment in an undamaged condition. Any credit balance will be returned to the customer within 45 days.

Deposits taken from customers who make prompt payments of undisputed bills for natural gas service for a period of twelve (12) consecutive months will be refunded or credited to the customer's bill and will include interest. The rate of interest must be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate must be rounded to the nearest tenth of one percent. By December 15 of each year, the commissioner of commerce shall announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year.

G. Credit Reports

Company may not use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of a customer. Any credit history so used shall be mailed to the customer in order to provide the customer an opportunity to review the data.

Refusal of a customer to permit use of a credit rating or credit service other than that of the Company shall not affect the determination of the Company as to that customer's credit history.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENTA. Information on Billing Statements

The Company shall bill each customer as promptly as possible following the reading of his or her meter. The customer's portion of the bill shall show the present and last preceding meter readings, the date of the present reading, and number and kinds of units metered, the class of service, the amount due, the date when the bill is due, any late fees, fuel adjustment clause, and the amount of state and local taxes; all separately itemized. Where applicable, bills shall show the net and gross amount of the bill and the date after which the gross amount must be paid. Bills rendered at rates requiring the measurement of a number of different factors, shall show all data necessary for the customer to check the computation of the bill. Estimated bills shall be distinctly marked as such.

In addition to the display of the appropriate billing determinants as described above, the Company's billing statements to its customers will contain the following information:

1. The statement i.e.: "Register any inquiry or complaint at Minnesota Energy Resources, PO Box 2176, Scottsbluff, NE 69363 or 800-889-9508."
2. A notice to customers of the availability upon request of the Customer Information Booklet described in Subsection 14.B. of these General Rules.

B. Billing Periods

Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly.

If the billing period is longer or shorter than the normal billing period by more than five days, the bill shall be prorated on a daily basis.

Regardless of whether a bill is based on customer reading, Company's reading or Company's estimate of consumption, Company shall have the right to discontinue service for non-payment thereof as provided elsewhere in these Rules, Regulations, Terms and Conditions with respect to delinquent bills.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)B. Billing Periods (Continued)

Upon request, the Company shall give the customer the approximate date on which he should receive his bill each month, and if a bill is not received or is lost, the Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve a customer from payment as provided for in the applicable tariff and these Rules and Regulations.

C. Billing Errors

1. Overcharges: When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be adjusted, refunded or credited to the customer. Credits shall be shown separately and identified.

When the Company has overcharged a customer, it shall calculate the difference between the amount collected for service rendered and the amount the Company should have collected for service rendered, plus interest, for the period beginning three (3) years before the date of discovery. Interest must be calculated as prescribed by Minnesota Statutes § 325E.02(b). If the recalculated bills indicate that more than one dollar (\$1.00) is due an existing customer or two dollars (\$2.00) is due a person no longer a customer of Company, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. If a refund is due a person no longer a customer of the Company, the Company shall mail to the customer's last known address either the refund or a notice that the customer has three months in which to request a refund from the utility.

If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis of payments for service rendered after that date, but in no event for a period beginning more than three (3) years before the discovery of an overcharge.

2. Undercharges: When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the undercharge may be billed to the customer.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)C. Billing Errors (Continued)2. Undercharges (Continued)

When the Company has undercharged a customer, the Company shall calculate the difference between the amount collected for service rendered and the amount the Company should have collected for service rendered, for the period beginning one (1) year before the date of discovery. If the recalculated bills indicate that the amount due Company exceeds Ten Dollars (\$10.00), Company may bill the customer for the amount due. The Company shall not bill for any undercharge incurred after the date of a customer inquiry or complaint if the Company failed to begin investigating the matter within a reasonable time and the inquiry or complaint ultimately resulted in the discovery of the undercharge. The original billing rendered because of a billing error shall be separated on the regular bill and the charges explained in detail.

If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis of payments for service rendered after that date, but in no event for a period beginning more than one (1) year before the discovery of an undercharge.

The Company will offer a payment agreement to residential customers who have been undercharged if no culpable conduct by the customer or resident of the customer's household caused the undercharge. The agreement must cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable to the customer and the Company, except that the duration of a payment agreement offered by the Company to a customer whose household income is at or below 50 percent of state median household income must consider the financial circumstances of the customer's household. No interest or delinquency fee may be charged as part of an undercharge agreement under this paragraph.

D. Even Payment Plan

The Company shall offer an Even Payment Plan to all General Service Customers whose accounts are paid in full and who agree to the conditions of the plan. Normally, monthly variations may result from rate increases, fluctuations in Purchased Gas Cost Adjustments, variations in usage, and weather conditions. However, the Even Payment plan is designed to minimize large changes.

Customers may enroll in the program during any month of the year.

The Even Payment Plan may be periodically reviewed by the Company and the monthly installment shall be revised if it appears that the debit or credit balance at the end of the Even Payment period will substantially exceed the estimate.

The annual recalculation month is the same month as the initial anniversary date of enrollment. If a customer's budget changes anytime, the annual recalculation month reflects one year from the change or review. The difference between the accumulated total amount of the customer's billings determined by metered usage, and the accumulated total of the amount paid shall be rolled over into the estimated billing for the upcoming year, and the new Even Pay amount will be calculated using that total.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)E. Late Payment Charge

If the payment is not received on or before the assessed date indicated on the bill, the bill shall be deemed delinquent and a Late Payment Charge will be assessed. Late Payment Charges are assessed on the delinquent amount only, in the percentage and timing indicated on each rate schedule or contract. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended through the next normal working day before the Late Payment Charge is assessed. In the case of a residential customer on either a budget billing plan or a payment schedule “delinquent amounts” means the lesser of the outstanding account balance or the outstanding scheduled payments. The utility shall credit all payments received against the oldest outstanding account balance before the application of any Late Payment Charge. Any balance in excess of \$10 will be assessed a charge.

Residential customers receiving energy assistance may request and receive a one-time waiver, within a 12-month period, of a monthly Late Payment Charge.

The Late Payment Charge will be waived in instances where a Company error is involved, where complications arise with financial institutions in processing automatic electronic payments, or where the bill is disputed.

F. Excise Taxes

When any governmental entity imposes a franchise, occupation, business, sales, license, excise, privilege or similar tax of any kind on the Company, the amounts thereof, insofar as practical, shall be surcharged on a proportionate basis to all customers receiving gas service within such governmental entity. This tax charge, in all cases, will be in addition to the regular charges for gas service.

The following franchise fees shall be applicable to bills for natural gas sales within the corporate limits of the listed cities. The Company remits 100% of the franchise fees collected to the local governmental unit.

The Company will notify the Minnesota Public Utilities Commission of any new, renewed, expired, or changed fee, authorized by Minn. Stat. § 216B.36 to raise revenue, at least 60 days prior to its implementation. If the Company receives less than 60 days’ notice of a repealed or reduced fee from a city, the Company will notify the Minnesota Public Utilities Commission within 10 business days of receiving notice. Notification to the Minnesota Public Utilities Commission will include a copy of the relevant franchise ordinance, or other operative document authorizing imposition of, or change in, the fee.

The Company will include the following language on the first bill to a customer on which a new or modified fee is listed:

The MUNICIPALITY imposes a X% OF GROSS REVENUES/X% PER METER/\$ PER THERM fee on Minnesota Energy Resources Corporation collectible through a fee on Minnesota Energy Resources Corporation accounts effective MM/DD/YYYY. The line item appears on your bill as “Franchise fee-MUNICIPALITY.” Minnesota Energy Resources Corporation remits 100% of this fee to the MUNICIPALITY.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Albert Lea**

There shall be added to each customer's monthly natural gas bill a City of Albert Lea Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Albert Lea, which is currently 4.5% of gross revenues for natural gas service furnished within the city of Albert Lea. The fee is listed on the bill as "Franchise fee-Albert Lea."

**Baudette**

There shall be added to each customer's monthly natural gas bill a City of Baudette Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Baudette, which is currently a flat fee of \$2.50. The fee is listed on the bill as "Franchise fee-Baudette."

**Bemidji**

There shall be added to each customer's monthly natural gas bill a City of Bemidji Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Bemidji, which is currently 5.0% of the gross revenues received from each customer. The fee is listed on the bill as "Franchise fee-Bemidji."

**Detroit Lakes**

There shall be added to each customer's monthly natural gas bill a City of Detroit Lakes Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Detroit Lakes, which is currently a flat fee of \$1.00 plus a volumetric fee of \$0.003 per therm. The fee is listed on the bill as "Franchise fee-Detroit Lakes."

**Duluth Bayview Heights**

There shall be added to each customer's monthly natural gas bill a City of Duluth Bayview Heights Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Duluth, which is currently a flat fee of one and one-half (1 ½) percent of gross revenue. The fee is listed on the bill as "Franchise fee-Duluth."

**Elgin**

There shall be added to each customer's monthly natural gas bill a City of Elgin Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Elgin, which is currently a volumetric fee of five (5) percent of gross revenue. The fee is listed on the bill as "Franchise fee-Elgin."

**Hayfield**

There shall be added to each customer's monthly natural gas bill a City of Hayfield Franchise Fee assessment. The amount of the fee to be assessed shall be equal to that imposed on the Company by the City of Hayfield, which is currently a flat fee of \$2.00 per month per customer. The fee is listed on the bill as "Franchise Fee—Hayfield."

**Hermantown**

There shall be added to each customer's monthly natural gas bill a City of Hermantown Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Hermantown, which is currently a flat fee of \$2.00 per month for each residential meter and \$2.00 per month for each commercial, industrial, and other meter. The fee is listed on the bill as "Franchise fee-Hermantown."

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Jackson**

There shall be added to each customer's monthly natural gas bill a City of Jackson Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Jackson, which is currently a flat fee of \$2.00 per meter for residential customers, \$5.00 per meter for small commercial customers, \$10.00 per meter for large commercial customers, and \$15.00 per meter for industrial and transportation customers per month. The fee is listed on the bill as "Franchise fee-Jackson."

**Lakefield**

There shall be added to each customer's monthly natural gas bill a City of Lakefield Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Lakefield, which is currently a flat fee of \$2.00. The fee is listed on the bill as "Franchisee fee -Lakefield."

**Mantorville**

There shall be added to each customer's monthly natural gas bill a City of Mantorville Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Mantorville, which is currently a flat fee of \$2.00. The fee is listed on the bill as "Franchisee fee - Mantorville."

**Mora**

There shall be added to each customer's monthly natural gas bill a City of Mora Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Mora, which is currently a flat fee of \$2.87. The fee is listed on the bill as "Franchise fee-Mora."

**Nashwauk**

There shall be added to each customer's monthly natural gas bill a City of Nashwauk Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Nashwauk, which is currently a volumetric fee of \$0.013 per therm, which shall be adjusted annually according to the change in the Henry Hub wellhead natural gas price. The fee is listed on the bill as "Franchise fee-Nashwauk."

**New Richland**

There shall be added to each customer's monthly natural gas bill a City of New Richland Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of New Richland, which is currently a flat fee of \$1.00. The fee is listed on the bill as "Franchise fee-New Richland."

**Ortonville**

There shall be added to each customer's monthly natural gas bill a City of Ortonville Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Ortonville, which is currently a flat fee of \$1.50 per meter plus a volumetric fee of \$0.013 per 100 cubic feet of gas, which shall be adjusted annually for inflation based upon the most recent Urban Consumer Price Index inflation adjustment rates. The fee is listed on the bill as "Franchise fee-Ortonville."

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Park Rapids**

There shall be added to each customer's monthly natural gas bill a City of Park Rapids Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Park Rapids, which is currently a flat fee of \$2.00. The fee is listed on the bill as "Franchise fee-Park Rapids."

**Plainview**

There shall be added to each customer's monthly natural gas bill a City of Plainview Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Plainview, which is currently a flat fee of \$0.50 plus a volumetric fee of \$0.01 per therm for residential, firm commercial, and industrial customers and \$0.005 per therm for interruptible commercial customers. The fee is listed on the bill as "Franchise fee-Plainview."

**Roseau**

There shall be added to each customer's monthly natural gas bill a City of Roseau Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Roseau, which is currently a volumetric fee of \$0.01122 per therm. The fee is listed on the bill as "Franchise fee-Roseau."

**St. Charles**

There shall be added to each customer's monthly natural gas bill a City of St. Charles Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of St. Charles, which is currently a flat fee of \$1.00. The fee is listed on the bill as "Franchise fee-St. Charles."

**Silver Bay**

There shall be added to each customer's monthly natural gas bill a City of Silver Bay Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Silver Bay, which is currently a flat fee of \$3.00 per month for each residential meter and \$3.00 per month for each commercial, industrial, and other meter. The fee is listed on the bill as "Franchise fee-Silver Bay."

**Staples**

There shall be added to each customer's monthly natural gas bill a City of Staples Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Staples, which is currently a flat fee of \$1.50 plus a volumetric fee of \$0.013 per therm, which shall be adjusted annually for inflation based upon the most recent Urban Consumer Price Index inflation adjustment rates. The fee is listed on the bill as "Franchise fee-Staples."

**Stewartville**

There shall be added to each customer's monthly natural gas bill a City of Stewartville Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Stewartville, which is currently a flat fee of \$0.50 for all customer classes plus a volumetric fee of \$0.005 per therm for residential customers, \$0.0015 per therm for firm commercial and industrial customers, and \$0.0008 per therm for interruptible commercial customers. The fee is listed on the bill as "Franchise fee-Stewartville."

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

8. BILLING AND PAYMENT (Continued)F. Excise Taxes (Continued)**Thief River Falls**

There shall be added to each customer's monthly natural gas bill a City of Thief River Falls Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Thief River Falls, which is currently a flat fee of \$2.00 per meter per month for all customer classes plus a volumetric fee of \$0.012 per therm for all customer classes except for interruptible customers, who shall pay a volumetric fee of \$0.006 per therm. The fee is listed on the bill as "Franchise fee-Thief River Falls."

**Wadena**

There shall be added to each customer's monthly natural gas bill a City of Wadena Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Wadena, which is currently a flat fee of \$2.00 for residential customers, \$5.00 for firm commercial customers, and \$20.00 for commercial and industrial interruptible customers and \$20.00 for firm industrial customers. The fee is listed on the bill as "Franchise fee-Wadena."

**Wells**

There shall be added to each customer's monthly natural gas bill a City of Wells Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Wells, which is currently a flat fee of \$2.00 for residential customers, \$2.00 for commercial firm customers, \$30.00 for commercial interruptible customers, \$2.00 for industrial firm customers, \$30.00 for industrial interruptible customers, and \$2.00 for transportation customers. The fee is listed on the bill as "Franchise fee-Wells."

**Worthington**

There shall be added to each customer's monthly natural gas bill a City of Worthington Franchise Fee assessment. The amount of the fee to be assessed shall be the assessment rate equal to that imposed on the Company by the City of Worthington, which is currently a flat fee of \$0.50 plus a volumetric fee of \$0.006 per therm for residential customers, \$0.003 per therm for non-residential customers. The fee is listed on the bill as "Franchise fee-Worthington."

G. Returned Check Fee

In the event any check, draft, or negotiable instrument submitted to the Company for payment is dishonored or returned by the financial institution on which it is drawn, the Company will assess a returned check charge of \$15.00.

H. Payment Agreement

The Company will offer a payment agreement to residential customers for the payment of arrears. Payment agreements must consider a customer's financial circumstances and any extenuating circumstances of the household. No additional service deposit may be charged as a consideration to continue service to a customer who has entered and is reasonably on time under an accepted payment agreement.



## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICEA. Disconnection of Service - Permissible Reasons

The Company may disconnect service to any customer for any reason stated below in paragraphs 1 through 14. The Company shall apply the customer's deposit plus accrued interest to any liability of the customer. Any remaining balance of the deposit plus interest which is not in liability to the Company shall be returned to the customer within forty-five (45) days of disconnection. Wherever required, notice must comply with the requirements of Section 10. Any customer whose service has been disconnected pursuant to a reason enumerated in subsection 9.A. of these rules shall be subject to a reconnection charge as set forth in Section 12.

1. Nonpayment of Bill:

With notice, Company may disconnect service for nonpayment of bill only when the amount of the deposit plus accrued interest is inadequate to satisfy the incurred obligations. All disconnections are subject to the "Cold Weather Rule" at Designation 9.D. below.

Bills for service become delinquent if not paid within twenty-five (25) days for residential customers or within seventeen (17) days of the current billing date for non-residential customers. The next billing date for residential customers may not be less than twenty-five (25) days from the current billing date. The current billing date may be no more than three working days before the date of mailing of the bill by the utility for residential and non-residential customers. The due date may be printed on the bill, which is not more than five days before the next scheduled billing date for residential customers. If bills for service become delinquent, the customer will be given sufficient written notice that his service will be discontinued and/or disconnected unless the bill is paid or other appropriate arrangements are made for payment. Service will not be discontinued and/or disconnected until at least five (5) work days have passed after the date of such notice. In the event service is discontinued because of nonpayment of bills, Company will require the payment of a reconnection charge as listed in Section 12.

Bills for service become delinquent as provided above. However, temporary extension of credit may be granted by the Company where a customer has encountered a temporary unforeseen emergency but possesses a definite financial ability to secure funds by a specific date in the near future. Such extension of credit shall be at the sole determination of the Company and subject to approval at the local manager level.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service – Permissible Reasons (Continued)2. Failure to Meet Deposit and Credit Requirements:

With notice, Company may disconnect or refuse service for failure of the customer to meet the deposit and credit requirements contained herein at Section 7.

3. Non-Compliance with Rules and Regulations:

All service furnished to customer shall be in accordance with these General Rules, Regulations, Terms and Conditions, and in case a customer fails to conform to such Rules, the Company will, after five (5) days' sufficient notice in writing, (unless otherwise provided for herein), discontinue and/or disconnect service unless within such time conditions complained of are remedied. Such notice shall specify the cause of the default and the Company shall cooperate with the customer in suggesting the proper remedy.

4. Breach of the Contract:

With notice Company may disconnect service to a customer who is in breach of the contract for service between the Company and the customer.

5. Tampering With and Care of Company's Property:

No one except an agent of Company or one otherwise lawfully entitled to do so shall be permitted to remove or tamper with Company's meter or connections, or with any of the property of the Company on or about the customer's premises. If at any time the Company shall find that a meter, piping, or equipment, or parts thereof, or other instruments used in furnishing service to the customer have been tampered with by anyone except an agent of Company or one otherwise lawfully entitled to do so, it shall be considered sufficient cause for immediate discontinuance of service by Company.

6. Dangerous Conditions Found on Customer's Premises:

In any case where Company has received notice or knows that a dangerous condition exists with respect to the presence or delivery of natural gas on customer's premises, Company will, without advance notice, refuse to connect if service

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service - Permissible Reasons (Continued)6. Dangerous Conditions Found on Customer's Premises (Continued)

has not already been connected or shut off the service, and service shall not be resumed until such dangerous condition shall have been eliminated.

7. Failure to Provide Access:

With notice for failure of the customer to provide the Company reasonable access to its equipment as provided in Subsection 2.E.3.

8. Failure to Furnish Service, Equipment and/or Right-of-Way:

With notice for failure of a customer to furnish such service, equipment and/or rights-of-way necessary to serve said customer as shall have been specified by the Company as a condition of obtaining service. Such disconnection shall remain until the defective condition is cured or within a reasonable time for compliance.

9. Customer Request for Discontinuance of Service:(a) Permanent Disconnection:

Except where otherwise specified in the contract, customer may discontinue his service upon giving two (2) days written notice to the Company, at its office, of his intention to do so. Customer shall be liable for all service supplied to the premises for which customer has made application for service until the date specified in customer's notice of intention of discontinuing service, provided such date does not give Company less notice than specified above. Where two (2) days notice is required, Sundays and legal holidays shall not be included in such period. When a change in occupancy takes place on any premises, which is served by the Company, notice shall be given at the office of the Company two (2) days prior to the date of such change. In case no such notice is given to the Company, the outgoing occupant shall be responsible for all service supplied until such notice is given to the Company.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service - Permissible Reasons (Continued)9. Customer Request for Discontinuance of Service (Continued)(b) Temporary Disconnection:

Company may temporarily disconnect service upon written request by the customer, providing the Company is not entitled to otherwise disconnect service. Temporary disconnection of service for this reason does not require a refund or forfeiture of deposit nor an interruption of interest. A reconnect fee of \$30 during normal business hours or a premium charge outside normal business hours consistent with current overtime rates, with a maximum reconnect fee of \$45, to re-initiate service shall be charged in addition to the monthly service charge for the period of disconnection.

10. Disconnection Without Notice:

Without notice a utility may disconnect service to any customer for any reason stated below:

- A. in the event of an unauthorized use of or tampering with the utility's equipment; or
- B. in the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility's equipment, or to the public.

11. Reselling or Redistribution of Service:

The service furnished is for the sole use of the customer who shall not sell any of such service to any other person or permit any other person to use the same without written consent of the Company. For the violation of this condition, the Company may, after forty-eight hours written notice, remove its meters and discontinue its service.

12. Fraudulent Use of Service:

In case gas is used fraudulently in any manner on the premises occupied by customer with or without customer's knowledge, the service will be shut off without any advance notice and service shall then not be resumed until customer shall have given satisfactory assurance that such

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)A. Disconnection of Service - Permissible Reasons (Continued)12. Fraudulent Use of Service (Continued)

fraudulent use of gas will be discontinued and shall have paid to Company such an amount estimated by Company to be a reasonable payment for gas fraudulently used and not paid for.

13. Disregard of Curtailment Orders:

Willful or continued failure of an interruptible customer to comply with curtailment orders issued by Company shall be sufficient cause for discontinuance of such service by Company even though customer pays the penalty specified in the rate schedule. If service is discontinued, a reconnection charge, in addition to the overrun deterrent and liquidating damages charge set out herein and normal rate for gas consumed, will be required to be paid before service is restored.

14. Compliance with Request from Governmental Authority Having Jurisdiction:

With notice, when necessary for Company to comply with any Order or request of any governmental authority having jurisdiction.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)B. Non-Permissible Reasons to Disconnect Service:1. Delinquency by Previous Occupant:

Delinquency in payment for services rendered to previous customer who occupied the premises unless said customer continues to occupy the premises.

2. Failure to Pay for Merchandise, etc:

Failure to pay for merchandise, appliances or services not approved by the Commission as an integral part of the Company services.

3. Failure to Pay - Different Class of Service:

Failure to pay for a different class of service.

4. Failure to Pay - Another Meter:

Failure to pay for a bill based on concurrent charges from another meter.

5. Failure to Pay - Previous Underbilling Due to Inaccurate Meter or Billing Error:

Failure to pay for a bill to correct previous underbilling due to an inaccurate meter or billing error, if the customer agrees to payment over a reasonable period of time.

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## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)C. Landlord - Tenant Rule:

In situations where the service is rendered at an address different from the mailing address of the bill, or where the Company has reason to know that a landlord-tenant relationship exists and that the landlord is the customer of the Company; and where the landlord as customer would otherwise be subject to disconnection of service; the Company may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service, the Company, after providing notice as required in these Rules, shall offer the occupant the opportunity to subscribe for service in her or his own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the Rules.
2. Company shall not attempt to recover from a tenant, or condition service to a tenant upon the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

D. Disconnection During Cold Weather:

1. Scope: This section applies only to the Company's residential customers.
2. Definitions: The following definitions apply in this section.

"Cold weather period" means the period from October 15 through April 15 of the following year.

"Customer" means a residential customer of the Company.

"Disconnection" means the involuntary loss of utility heating service as a result of a physical act by the Company to discontinue service. Disconnection includes installation of a service or load limiter or any device that limits or interrupts utility service in any way.

"Household income" means the combined income, as defined in Minn. Stat. § 290A.03, subd. 3, of all residents of the customer's household, computed on an annual basis. Household income does not include any amount received for energy assistance.

"Reasonably timely payment" means payment within five working days of agreed-upon due dates.

"Reconnection" means the restoration of utility heating service after it has been disconnected.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)2. Definitions (Continued)

“Summary of rights and responsibilities” means a notice approved by the Minnesota Public Utilities Commission that contains, at a minimum, the following:

- (a) an explanation of the provisions of Section VIII.9.D.5 and Minn. Stat. § 216B.096, subd. 5;
- (b) an explanation of no-cost and low-cost methods to reduce the consumption of energy;
- (c) a third-party notice;
- (d) ways to avoid disconnection;
- (e) information regarding payment agreements;
- (f) an explanation of the customer’s right to appeal a determination of income by the Company and the right to appeal if the Company and the customer cannot arrive at a mutually acceptable payment agreement; and
- (g) a list of names and telephone numbers for county and local energy assistance and weatherization providers in each county served by the Company.

“Third-party notice” means a notice approved by the Minnesota Public Utilities Commission containing, at a minimum, the following information:

- (a) a statement that the Company will send a copy of any future notice of proposed disconnection of Company service to a third party designated by the residential customer;
- (b) instructions on how to request this service; and
- (c) a statement that the residential customer should contact the person the customer intends to designate as the third-party contact before providing the Company with the party’s name.

“Company” means MERC.

“Utility heating service” means natural gas used as a primary heating source for the customer’s primary residence.

“Working days” means Mondays through Fridays, excluding legal holidays. The day of receipt of a personally served notice and the day of mailing of a notice shall not be counted in calculating working days.



## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)3. Company Obligations Before Cold Weather Period

Each year, between September 1 and October 15, the Company must provide all customers, personally or by first class mail, a summary of rights and responsibilities. The summary must also be provided to all new residential customers when service is initiated.

4. Notice Before Disconnection During Cold Weather Period

Before disconnecting utility heating service during the cold weather period, the Company must provide, personally or by first class mail, a Minnesota Public Utilities Commission-approved notice to a customer, in easy-to-understand language, that contains, at a minimum, the date of the scheduled disconnection, the amount due, and a summary of rights and responsibilities.

5. Cold Weather Rule

During the cold weather period, the Company may not disconnect and must reconnect utility heating service of a customer whose household income is at or below 50 percent of the state median income if the customer enters into and makes reasonably timely payments under a mutually acceptable payment agreement with the Company that is based on the financial resources and circumstances of the household; provided that, the Company may not require a customer to pay more than ten percent of the household income toward current and past utility bills for utility heating service.

The Company may accept more than ten percent of the household income as the payment arrangement amount if agreed to by the customer.

The customer or a designated third party may request a modification of the terms of a payment agreement previously entered into if the customer's financial circumstances have changed or the customer is unable to make reasonably timely payments.

The payment agreement terminates at the expiration of the cold weather period unless a longer period is mutually agreed to by the customer and the Company.

The Company shall use reasonable efforts to restore service within 24 hours of an accepted payment agreement, taking into consideration customer availability, employee availability, and construction-related activity.

6. Verification of Income

In verifying a customer's household income, the Company may:

(a) accept the signed statement of a customer that the customer is income eligible;

(b) obtain income verification from a local energy assistance provider or a government agency;

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)6. Verification of Income (Continued)

(c) consider one or more of the following:

(i) the most recent income tax return filed by members of the customer's household;

(ii) for each employed member of the customer's household, paycheck stubs for the last two months or a written statement from the employer reporting wages earned during the preceding two months;

(iii) documentation that the customer receives a pension from the Department of Human Services, the Social Security Administration, the Veteran's Administration, or other pension provider;

(iv) a letter showing the customer's dismissal from a job or other documentation of unemployment; or

(v) other documentation that supports the customer's declaration of income eligibility.

A customer who receives energy assistance benefits under any federal, state, or county government programs in which eligibility is defined as household income at or below 50 percent of state median income is deemed to be automatically eligible for protection under this section and no other verification of income may be required.

7. Prohibitions and requirements

This section applies during the cold weather period.

The Company may not charge a deposit or delinquency charge to a customer who has entered into a payment agreement or a customer who has appealed to the Minnesota Public Utilities Commission under Section VIII.9.D.8 and Minn. Stat. § 216B.096, subd. 8.

A utility may not disconnect service during the following periods:

(a) during the pendency of any appeal under Section VIII.9.D.8 and Minn. Stat. § 216B.096, subd. 8;

(b) earlier than ten working days after the Company has deposited in first class mail, or seven working days after the Company has personally served, the notice required under Section VIII.9.D.4 and Minn. Stat. § 216B.096, subd. 4 to a customer in an occupied dwelling;

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)7. Prohibitions and Requirements (Continued)

(c) earlier than ten working days after the Company has deposited in first class mail the notice required under Section VIII.9.D.4 and Minn. Stat. § 216B.096, subd. 4 to the recorded billing address of the customer, if the Company has reasonably determined from an on-site inspection that the dwelling is unoccupied;

(d) on a Friday, unless the Company makes personal contact with, and offers a payment agreement consistent with this section to the customer;

(e) on a Saturday, Sunday, holiday, or the day before a holiday;

(f) when the Company offices are closed;

(g) when no Company personnel are available to resolve disputes, enter into payment agreements, accept payments, and reconnect service; or

(h) when the Minnesota Public Utilities Commission offices are closed.

The Company may not discontinue service until the utility investigates whether the dwelling is actually occupied. At a minimum, the investigation must include one visit by the Company to the dwelling during normal working hours. If no contact is made and there is reason to believe that the dwelling is occupied, the Company must attempt a second contact during nonbusiness hours. If personal contact is made, the Company representative must provide notice required under Section VIII.9.D.4 and Minn. Stat. § 216B.096, subd. 4 and, if the utility representative is not authorized to enter into a payment agreement, the telephone number the customer can call to establish a payment agreement.

The Company must reconnect utility service if, following disconnection, the dwelling is found to be occupied and the customer agrees to enter into a payment agreement or appeals to the Minnesota Public Utilities Commission because the customer and the utility are unable to agree on a payment agreement.

8. Disputes; Customer Appeals

The Company must provide the customer and any designated third party with a Minnesota Public Utilities Commission-approved written notice of the right to appeal:

(a) a Company determination that the customer's household income is more than 50 percent of state median household income; or

(b) when the Company and customer are unable to agree on the establishment or modification of a payment agreement.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)D. Disconnection During Cold Weather (Continued)8. Disputes; Customer Appeals (Continued)

A customer's appeal must be filed with the Minnesota Public Utilities Commission no later than seven working days after the customer's receipt of a personally served appeal notice, or within ten working days after the Company has deposited a first class mail appeal notice.

Notwithstanding any other law, following an appeals decision adverse to the customer, the Company may not disconnect utility heating service for seven working days after the Company has personally served a disconnection notice, or for ten working days after the Company has deposited a first class mail notice. The notice must contain, in easy-to-understand language, the date on or after which disconnection will occur, the reason for disconnection, and ways to avoid disconnection.

9. Customers Above 50 Percent of State Median Income

During the cold weather period, a customer whose household income is above 50 percent of state median income:

(a) has the right to a payment agreement that takes into consideration the customer's financial circumstances and any other extenuating circumstances of the household; and

(b) may not be disconnected and must be reconnected if the customer makes timely payments under a payment agreement accepted by the Company.

The second sentence in Section VIII.9.D.7 does not apply to customers whose household income is above 50 percent of state median income.

10. Reporting

Annually on November 1, the Company must electronically file with the Minnesota Public Utilities Commission a report, in a format specified by the Minnesota Public Utilities Commission, specifying the number of the Company's heating service customers whose service is disconnected or remains disconnected for nonpayment as of October 1 and October 15. If customers remain disconnected on October 15, the Company must file a report each week between November 1 and the end of the cold weather period specifying:

(1) the number of the Company's heating service customers that are or remain disconnected from service for nonpayment; and

(2) the number of the Company's heating service customers that are reconnected to service each week. The Company may discontinue weekly reporting if the number of the Company's heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

9. DISCONNECTION OR SUSPENSION OF SERVICE (Continued)

## D. Disconnection During Cold Weather (Continued)

10. Reporting (Continued)

The data reported under this section and Minn. Stat. § 216B.096, subd. 10 are presumed to be accurate upon submission and must be made available through the Minnesota Public Utilities Commission's electronic filing system.

E. Notice to Cities of Utility Disconnection

Notwithstanding Minn. Stat. § 13.685 or any other law or administrative rule to the contrary, upon written request from a city, on October 15 and November 1 of each year, or the next business day if that date falls on a Saturday or Sunday, the Company will make a report available to the city of the address of properties currently disconnected and the date of the disconnection. Upon written request from a city, between October 15 and April 15, the Company will make daily reports available of the address and date of any newly disconnected properties.

For the purpose of this section, "disconnection" means a cessation of services initiated by the Company that affects the primary heat source of a residence and service is not reconnected within 24 hours.

F. Medical Emergencies

The Company shall reconnect or continue service to a customer's residence where a medical emergency exists, provided that the Company receives: (1) written certification, or initial certification by telephone and written certification within five business days, from a medical doctor that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household; and (2) the customer's consent to a payment arrangement for the amount in arrears.

10. NOTICES: OTHER TIME REQUIREMENTS

- A. Where required, all notices required by these Rules of impending action by the Company shall be by First Class Mail. Notice shall be sent to the address where service is rendered and to the address where the bill is sent if different from the address where service is rendered. A Company representative will make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.
- B. All notices required by these Rules must precede the action to be taken by at least five (5) days excluding Sundays and legal holidays. No notice may be given until the condition of which it informs, presently exists.
- C. In lieu of mailing, notices may be delivered by a representative of the Company. They must be in writing and receipt of them must be signed by the customer, if present, or some other member of the customer's family of a responsible age or affirmed in writing by the representative of the Company that delivery was attempted in good faith.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

10. NOTICES: OTHER TIME REQUIREMENTS (Continued)

- D. A record of all notices required by these Rules must be kept on file by the Company and must be available to the Commission.
- E. Disconnection notices shall contain the date on or after which disconnection will occur, reason for disconnection, and methods of avoiding disconnection in normal easy-to-understand language.

11. MANNER OF DISCONNECTION WHERE NOTICE IS REQUIRED

- A. Service may be disconnected only in conjunction with a personal visit by a Company representative to the address where the service is rendered and an attempt to make personal contact with the customer at the address. If the address is a building containing two or more dwelling units, the representative shall make a personal visit to the door of the customer's dwelling unit within the building. If security provisions in the building preclude free access on the part of the representative, the representative shall attempt to gain access to the building from the caretaker, for the purpose of attempting to make personal contact with the customer.
- B. The representative of the Company shall, at all times, be capable of receiving payment other than cash, if nonpayment is the cause of the disconnection of service. If the disconnection or suspension be for cause other than nonpayment, the representative shall be able to certify that the cause has been remedied by the customer.

12. RECONNECTION FEE

In the event service has been disconnected because customer could not pay the bill or meet deposit or credit requirements, the customer shall pay a reconnect fee of thirty (\$30.00) dollars in addition to making a settlement satisfactory to the Company of the outstanding bill, before service is restored. Reconnection outside of normal business hours shall be calculated at a premium charge, consistent with current overtime rates, with a maximum reconnect fee of \$45.

**EXCEPTION:** Per order in Docket G-999/CI-05-1832, reconnection fees and deposit requirements are waived for customers receiving benefits through the federal Low-Income Home Energy Assistance Program (LIHEAP) effective December 1, 2005 through April 15, 2006.

In the event service has been disconnected for valid cause by the Company as listed in Section VIII.9.A.3, 7, 8, 9, or 14, the customer shall, in addition to any new deposit requirements, pay a reconnect fee of \$30.00 in addition to making a settlement satisfactory to the Company of the outstanding bill, before service is restored. In the event service has been disconnected for valid cause by the Company as listed in Section VIII.9.A.4, 5, 10, 11, 12, or 13, the customer shall, in addition to any new deposit requirements, pay a reconnect fee of \$100.00, plus the costs of disconnection and reconnection incurred by the Company, in addition to making a settlement satisfactory to the Company of the outstanding bill, before service is restored.

The customer will not be required to pay a reconnection fee when the disconnection was because of a condition determined to be hazardous to the customer, other customers of the Company, to the Company's equipment, or to the public.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

13. DISPUTES

Whenever the customer advises the Company's designated representative prior to the disconnection of service that any part of the billing as rendered or any part of the services is in dispute, the Company shall:

- A. Investigate the dispute promptly.
- B. Advise customer of investigation and its result.
- C. Attempt to resolve dispute.
- D. Withhold discontinuation of service until the investigation is completed and the customer is informed of the findings in writing.
- E. Upon the findings of the Company, the customer must submit payment in full of any bill which is due.
- F. If the dispute is not resolved to the satisfaction of the customer, he or she must submit the entire payment and may designate the disputed portion to be placed in escrow to the Company. Such payment shall be called an "escrow payment".
- G. Escrow Payments:
  1. To submit a payment in escrow, the customer must make payment of the amount due as shown on the bill through an "escrow payment form", clearly marked and provided by the Company.
  2. The "escrow payment form" must provide space for the customer to explain why the Company's resolution of the dispute is unsatisfactory to the customer. The form must be in three (3) copies, one of which will be retained by the customer.
  3. A copy of the "escrow payment form" must be forwarded by the customer to the Public Utilities Commission.
  4. Any escrow payment to the Company may be applied by the Company as any normal payment received by the Company.
  5. After escrow payment has been made, the customer and the Company may still resolve the dispute to their mutual satisfaction.
  6. By submitting the "escrow payment form" to the Commission, a customer is deemed to have filed an informal complaint against Company pursuant to the Commission's Rules.
  7. Upon settlement of the dispute, any sums found to be entitled to be refunded to the customer shall be supplemented by an 8 percent per annum interest charge from the date of payment to the date returned by the Company.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

13. DISPUTES (Continued)

- H. The customer may apply to the Company to waive its right to disconnect. If the Company refuses to waive its right to disconnect, the customer may apply to the Commission for emergency status. If the Commission determines the customer has a probable claim in the dispute and that hardship may result in the event of discontinuation of service, it may declare an emergency status to exist and order the Company to continue service for a period not to exceed thirty (30) days.
- I. Notwithstanding any other Rule herein to the contrary, Company shall not be obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer shall pay, when due, all current bills due while the review is pending. If, following the first filing for review, the Commission, the same customer or any other person, files for any subsequent review by the Commission pertaining to the same account, such subsequent filings shall not relieve customer from the obligations to pay for service rendered after the first filing. If subsequent requests for review are filed during the pendency of the first review, all designated disputed payments or portions thereof made after the first filing, shall be considered to be made into escrow.

14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLICA. Customer Complaint Procedure:

Company shall attempt to resolve all customer inquiries, requests and complaints during regular business hours.

If any complaint cannot be promptly resolved, the Company shall contact the customer within five (5) business days and at least once every fourteen (14) calendar days thereafter, and advise the customer regarding the status of the investigation until:

1. The complaint is mutually resolved; or
2. Company advises customer of the results of its investigation and final disposition of the matter; or
3. Customer files a written complaint with the Public Utilities Commission or the courts.

When the Minnesota Public Utilities Commission forwards a customer complaint to the Company, the Company shall notify the Commission within ten (10) business days regarding the status or disposition of the complaint.



## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLIC  
(Continued)B. Customer Information - Assistance of Company Agent:

The Company will offer to each new customer and make available to existing customers a Consumer Information Booklet which will provide a summary of the rules and regulations under which Company provides service and which will comply with the requirements of Minn. R. 7820.0200.

A complete set of these Rules and Regulations, as well as the Rate Schedules relating to the town border service of the Company are set forth in Company's Tariff. A copy of Company's Tariff as filed with and approved by the Minnesota Public Utilities Commission is available for inspection at the various offices of the Company where applications for service are received.

A customer will have access to its own billing, complaint, payment and deposit records and the Company will furnish additional information as the customer or applicant may reasonably request.

Upon request, the Company's agent in charge will assist any interested party in procuring information with reference thereto as may be desired. Where the Company's rate schedules provide optional rates for the same character of service, the customer shall select the rate schedule under which he elects to be billed and agrees to take service there under for a period of not less than one year. The Company will assist any customer or prospective customer to apply the Company's rate schedule, General Rules, Regulations, Terms and Conditions, and where optional schedules are available will advise such customer or prospective customer upon request as to the schedule appearing, upon information then available, to be most advantageous to the customer for the character of service to be taken.

C. Compliance with Rate Schedules:

In order to secure the benefit of any rate schedule, customer must use service for the purposes and in accordance with conditions specified in the schedule for such rate. A customer using service for purposes not permitted in rate schedule specified in service application shall be required to execute a new service application referring to the proper rate schedule. Company reserves the right to rebill for service rendered under the rate schedule applicable thereto for the period during which such service was in effect.

D. Oral Agreements:

Agents of the Company are not authorized to bind the Company except by a duly executed written instrument.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

14. INFORMATION AND ASSISTANCE AVAILABLE TO CUSTOMERS AND THE PUBLIC  
(Continued)E. Customer Service Practice:

The Company makes every possible effort to maintain its natural gas delivery system in good operating condition and adheres to published codes that customer appliances are manufactured under approved safety standards for safe, reliable operations at all times. A staff of qualified service personnel is maintained by the Company to perform those services necessary to enforce this policy. The service department operates on a five-day week, Monday through Friday, normal business hours except holidays. Emergency service is available on a 24-hour per day basis at all other times. Services consist of two groups; work for which no charge is made to the customer, and work for which costs are charged to the customer on a time and material basis, as follows:

1. Services on Customer Premises at no Charge – With the exception of those services performed to reconnect customers who have been disconnected for non-payment of utility bills, no charge is made for the following:
  - a) Turning on the natural gas supply for customers moving to premises served with gas.
  - b) Turning off the natural gas supply for customers moving from premises served with gas.
  - c) Repairing or replacing Company-owned equipment on customers' premises, including the meter, house regulator or piping associated thereto.
  - d) Inspecting and investigating potentially hazardous gas supply conditions on customers' premises.
2. Chargeable Services on Customer Premises – All other services on the customer's premises are chargeable to the customer. This includes such items as lighting pilots; adjusting appliances; changes, modifications and repair of house piping and service lines; repair or replacement of controls and other appliance parts; and cleaning and inspecting customer owned gas burning devices for malfunctions.

F. Account History Charge

If an authorized party requests the Company to provide more than 24 months of usage history for a non-Residential customer, the Company shall charge the authorized requesting party a fee of \$30 per account for providing the information.

GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

15. INFORMATION FROM CUSTOMERS

A. Defective Equipment:

In case gas is found by customer to be escaping from any pipes or equipment in or about the customer's premises, the customer shall notify the Company immediately. Defective appliances shall be disconnected at once and properly repaired before using again. In case of interruption of service, customer shall notify the Company immediately.

B. Gas Load Analysis Data:

Each customer, upon request, shall furnish Company such reasonable data, as, in Company's judgment, is necessary for the proper analysis of the gas load requirements of the customer.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

16. CONTINUOUS SERVICE POLICYA. Priority of Service

Company will make every reasonable attempt to maintain continuous gas service to customers. The following priorities will be followed when operational and supply conditions require service interruptions with highest priorities listed first:

1. General Service Customers.
2. Small Volume Firm.
3. Large Volume Firm.
4. Transport for Resale Customers.
5. Joint Service Customers' Firm Capacity.
6. Small Volume Interruptible.
7. Large Volume Interruptible.

B. Curtailment of Service to Interruptible Customers

1. Standard Order of Curtailment: When in the opinion of the Company it becomes necessary to curtail or interrupt service to any of the Company's Interruptible Customers, such service shall be interrupted in the following order to protect deliveries to General Service Customers:

First: Large Volume Interruptible Customers.

Second: Small Volume Interruptible Customers.

Company must comply with curtailment plans, orders, definitions and classifications as set out in Federal Energy Regulatory Commission Gas tariffs of wholesale pipeline suppliers and in the rules and orders of regulatory or governmental bodies having jurisdiction. Further, unless circumstances arise that make it impossible to avoid curtailment, the Company will not curtail the firm capacity of interruptible customers receiving service under a joint service rate until all available interruptible capacity has been curtailed.

2. Partial Curtailment: Where curtailment of only part of the deliveries of gas under similar interruptible classification is necessary, all customers under such classification will over a reasonable period of time, be treated alike so far as practicable.
3. Unauthorized Overrun Deterrent and Liquidated Damages Charge: In the event an interruptible customer takes any volume of gas in excess of authorized limitations ordered by the Company, the customer shall be billed an overrun deterrent and liquidated damages charge. Such charge shall be that amount set out in the rate schedule or contract and will be in addition to the normal rate for volumes consumed. The only exceptions shall be when the volumes were taken because of a force majeure operating situation of the customer as defined in his contract or rate schedule.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

16. CONTINUOUS SERVICE POLICY (Continued)B. Curtailment of Service to Interruptible Customers (Continued)3. Unauthorized Overrun Deterrent and Liquidated Damages Charge: (Continued)

The customer, in addition to taking all possible steps to stop such unauthorized takes of gas shall notify Company at once by phone or wire whenever a force majeure situation arises as a result of which the customer proposes to request waiver of the unauthorized overrun deterrent and liquidated damages charges, and shall furnish proof in writing satisfactory to Company, that such unauthorized gas volume takes were the direct result of such force majeure situation.

C. Emergency Repairs

The Company reserves the right to shut off gas at any time when such action is necessary for the purpose of making repairs or in case of any emergency. In such case, Company shall make every reasonable effort to restore service at the earliest practical moment. Any interruption of service will not relieve customer from any charges for service which has actually been rendered.

Issued By: Theodore Eidukas  
Vice President-Regulatory Affairs

Submittal Date: November 30, 2016

\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

17. TITLE

The Company warrants the title to the natural gas delivered and that it has good right and lawful authority to sell the same.

18. LIABILITY OF PARTIES

Unless otherwise defined in writing between the customer and the Company, with such writing duly filed and approved by the Commission, the Company and the customer each assume full responsibility and liability for the maintenance and operation of their respective properties and shall indemnify and save harmless the other party from all liability and expense on account of any and all damages, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party. Unless otherwise defined in writing between the customer and the Company, with such writing duly filed and approved by the Commission, the Company will use reasonable care to provide an uninterrupted and regular supply of service, and the Company shall not be liable for any losses, injuries or damages resulting from any interruption, disturbance, deficiency or imperfection of service unless and to the extent they are due to wilful misconduct or gross negligence on its part. In no event shall the Company be liable for any loss of profits or other consequential damages resulting from the use of service or from an interruption, disturbance, deficiency or imperfection of service.

The Company shall not be liable to the customer for its failure to deliver gas and the customer shall not be liable to the Company for its failure to receive gas when such failure on the part of either shall be due to accident to or breakage of pipelines, machinery or equipment, fires, floods, storms, weather conditions, strikes, riots, legal interferences, act of God or public enemy, shutdowns for necessary repairs and maintenance, failure or curtailment of gas supply or, without limitation by enumeration, any other cause beyond the reasonable control of the party failing to deliver or receive gas, as the case may be, provided such party shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to remove the cause of failure and resume the delivery or receipt of gas, as the case may be; provided, however, that if the customer fails to take and receive gas made available for delivery by Company, customer shall nonetheless be charged the minimum bill as provided for and defined in the Commission approved rate schedule under which customer is served. The Company shall not be liable for any loss, damage or injury whatsoever caused by leakage, escape or loss of gas after same has passed through the Company's meter herein defined as "point of delivery," nor for defects in the customer's piping or appliances. Neither shall the Company be liable for its failure to deliver gas when such failure shall be due to depletion of supply of gas at its source, curtailments or reallocations by regulatory authorities with jurisdiction, or the inability to maintain capacity to meet gas requirements hereunder at the time.

It is the customer's responsibility to provide and maintain in good working order all pipes and valves to take the gas from the said meter, and all equipment used in the burning of the said gas, and shall also provide and maintain in good working order all vents necessary to efficiently take all gas fumes (including unburned gas, if any) to the outside air.

## GENERAL RULES, REGULATIONS, TERMS AND CONDITIONS

19. GOVERNMENTAL ACTION AND AUTHORITY:A. Regulatory Action

The purchase and sale of gas by the Company is subject to all valid legislation with respect thereto and to all valid present and future orders, rules and regulations of duly constituted authorities having jurisdiction. The Company reserves the right to make and to file with any and all duly constituted authorities having jurisdiction, changes in terms and conditions of service or new terms and conditions including, but not limited to, changes in rates or new rates.

The Company shall permit the staff of duly constituted authorities having jurisdiction to inspect during regular business hours, all of the Company's operations and records relating to customer service in Minnesota.

B. War and National Defense

During any period in which a state of war exists between the United States and any foreign power, both customer and the Company shall recognize that the national defense is paramount to any contractual obligations then existing between them and notwithstanding the provisions of any such contract, neither shall assert, nor be required to assume, any obligation which is inconsistent with or contrary to any governmental policy, rule, regulation or order made, issued or promulgated in the promotion thereof.

20. ALTERATIONS OF RULES AND REGULATIONS

No agent or employee has the right to modify or alter the application, rates, terms and conditions of these rules and regulations or the tariff of which they comprise a part or to make any promises or representations not contained herein or in supplements and revisions hereto, except by following the regular procedures for tariff changes as specified by the Minnesota Department of Commerce.

## EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINESA. Applications and Permits

1. Applications for natural gas service are required for the services set forth hereunder. Connection of load subject to application without proper approval will be cause for disconnection or suspension of service pursuant to Designation 9.A.3 of these Rules and Regulations.
  - (a) New residential service except as exempted in A.2 below.
  - (b) Residential heating conversion from another fuel or expansion of peak heating requirements except as exempted in A.2 below.
  - (c) Commercial service, new and expanded requirements except as exempted in A.2 below.
  - (d) Industrial service - new and expanded requirements.
2. Applications for natural gas service are not required for:
  - (a) Additions to base load appliances for clothes drying, water heating and cooking.
  - (b) Additions of less than 50,000 BTU/hour in domestic heating loads over the heating load approved and connected to Company's distribution system as of May 10, 1977.
3. Applicants for service must agree to comply with all provisions of the main and service line extension policy described in Section IX.2 of this tariff.
4. All applications will be reviewed by Company's management and shall be processed in the following manner:
  - (a) Approved.
  - (b) Denied.
  - (c) Retained for future use, subject to cancellation by applicant.
5. Subject to the other requirements of the tariff, the Company reserves the right to suspend the issuance of permits for gas service on the basis of Company's sole judgment with respect to present and future connection factors and conditions.



## EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINES (Continued)B. Applications Which Will be Considered for Attachment1. New Service:

## (a) Residential Customers Based on the Following Conditions:

(i) Natural gas will be used for approved residential purposes in a single family and/or multifamily dwelling when individually metered, or master metered dwelling units where either a) or b) below prevent individual metering of service.

a) Gas is used in centralized heating, cooling, water heating or ventilation units.

b) Where individual metering is impractical, unreasonable, or uneconomical.

(ii) If an alternate form of energy other than solar is used for heating, it must provide 100% of peak day heating requirements.

(iii) Application approvals will be based on the date of pending applications, providing the above conditions are met and appropriate certifications are provided by owner.

## (b) Firm Commercial and Industrial Service Based on the Following Conditions:

(i) Natural gas will be used for approved commercial and industrial purposes. This excludes gas used for irrigation, alfalfa dehydration and grain drying.

(ii) Customer's total requirement must be less than 200 dekatherms on a peak day.

(iii) If an alternate form of energy other than solar is used, it must provide 100% of peak day heating requirement.

(iv) Customer must comply with heat loss or insulation standards established by Federal or State mandate or as Company may establish in its tariff.

## EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINES (Continued)B. Applications Which Will Be Considered for Attachment (Continued)1. New Service: (Continued)

## (c) Interruptible Service Based on the Following Conditions:

- (i) Company determines that the anticipated revenue from the new load is sufficient to prevent undue burden on existing ratepayers and conditions justify such service.
- (ii) Load to be connected must not be prohibited by the connection policy of the pipeline supplier or be in violation of any end use standards promulgated by State or Federal agencies.
- (iii) Applicants for service must agree to comply with all provisions of the service line extension policy described in Section IX.2 of this tariff.

## (d) Rural and Agricultural service to Right-of-Way Grantors in accordance with easement agreements executed with the supplier under the following conditions:

- (i) Applications for service must refer to and be based upon an easement clause which grants a right to a tap on the pipeline constructed pursuant to the easement.
- (ii) Applicant must be the Grantor of the easement, or his successor or assignee.
- (iii) The pipeline tap must be on a part of the property described in the easement.
- (iv) The right to the tap set forth in the easement may not have been previously exercised.
- (v) The volume of gas to be delivered through the tap may not exceed the smaller of the capacity of the initially installed small volume meter or the limits established by the wholesale supplier for small volume users.
- (vi) Supplier must obtain requisite regulatory authority to make the sale.

EXTENSION OF NATURAL GAS SERVICE

1. CUSTOMER CONNECTION PROCEDURES AND GUIDELINES (Continued)

B. Applications Which Will Be Considered for Attachment (Continued)

1. New Service: (Continued)

(vii) Gas delivered through the tap will not be resold to others by the Applicant or any of his successors.

(viii) Gas delivered will not be used for such commercial services as grain drying.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICESA. Residential Stand-Alone Service Extensions

For residential services added in an existing service area where no main extension is required and no prior feasibility study or Customer Extension Model included the proposed service line, Company will, without requiring a contribution in aid of construction (CIAC), provide 75 feet of service line to a permanent structure, as measured from the customer's property line and subject to Company operating standards. Service line extensions beyond 75 feet will require a CIAC, which shall be determined based on the incremental cost of the additional footage, not to exceed \$5.00 per foot. The actual per-foot installation cost is renegotiated annually through a competitive bidding process. Commercial and industrial customers do not receive a service extension allowance.

If abnormal conditions, such as rock, make it impractical in the Company's opinion to install a gas service line and at the same time satisfy all safety requirements, the Company may refuse to install a gas service line to the premises. Where such a situation exists and it is possible to install a gas service line by special design or extra construction and such gas service line can be installed safely, the Company will design and install the gas service line to suit the particular circumstances, provided the following conditions are met:

- (a) The design, arrangement, and location of the gas service line are accepted and approved by the applicant; and
- (b) The applicant agrees to pay the Company for all abnormal construction costs including the cost of casing, if required.

The Company will conduct a Customer Extension Model described in paragraph C to determine abnormal construction costs.

Once the Company waives any contribution by new customers for main and service extension costs, the Company cannot at any time recover these costs from existing ratepayers.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)B. Main and Service Extensions

For residential customers where both a main and service extension is required and for all extensions to serve commercial and industrial customers, regardless of whether a main extension is involved, the Company will complete a Customer Extension Model as described in paragraph C to determine the amount of any required CIAC. At its option, the Company may recover the amount of the CIAC from the developer or directly from the customer. When longer than typical service lines are omitted from the Customer Extension Model for a particular development, the Company shall determine the CIAC for the individual, longer service lines based on the incremental cost of the additional footage in excess of the typical footage used in the study for that development and shall recover the CIAC from the individual customer served by the longer service line.

If abnormal conditions, such as rock, make it impractical in the Company's opinion to install a gas service line and at the same time satisfy all safety requirements, the Company may refuse to install a gas service line to the premises. Where such a situation exists and it is possible to install a gas service line by special design or extra construction and such gas service line can be installed safely, the Company will design and install the gas service line to suit the particular circumstances, provided the following conditions are met:

- (a) The design, arrangement, and location of the gas service line are accepted and approved by the applicant; and
- (b) The applicant agrees to pay the Company for all abnormal construction costs including the cost of casing, if required.

The Company will conduct a Customer Extension Model described in paragraph C to determine abnormal construction costs.

Once the Company waives any contribution by new customers for main and service extension costs, the Company cannot at any time recover these costs from existing ratepayers.

C. Customers Contribution in Aid of Construction (CIAC) Calculation for Mains and Services

In determining whether a customer owes a CIAC, the Company shall take into consideration the total cost of serving the applicant including, but not limited to, the total investment, including mains and service related investment, the annual volume of gas to be sold, operating and maintaining expenses, margin, the acceptable level of return on the required investment, and potential for additional sales through the new facility. The specific uniform factors used by the Company in completing a Customer Extension Model along with a description of the current Customer Extension Model are contained as an exhibit to the General Rules, Regulations, Terms and Conditions portion of this tariff. The Company will not use other uniform factors or change the Customer Extension Model without filing an amended exhibit. Company will apply the general principal that the rendering of service to the applicant shall not result in undue burden on the other customer. If a CIAC is required, it will be based on the results of the Customer Extension Model.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)D. Winter Construction Charge

When the service or main is installed between December 1 and April 1, inclusive, because of failure of customer to meet all requirements of the Company by November 30 or because the customer's property, or the streets leading thereto, are not ready to receive the service pipe or gas main by such date, the anticipated winter construction charges will be included in determining the feasibility and any necessary CIAC. Such work will be subject to a base winter construction charge on all ditch footages, as an adder, and applies to any plowing, trenching, boring, or bell holes.

In addition to the base winter construction charge, a frost charge will be assessed by the Company for those portions of main or service lines where twelve or more inches of frost exists. The frost charge is not included on boring lengths but can apply to open trench and send or receive holes for bores. When twelve inches or more of frost exists outside the Winter Construction period, the frost charge may be applied as an expense due to abnormal conditions pursuant to Sheet No. 9.04 or Sheet No. 9.05. Included within the base winter construction charge and the frost charge are the use of any thawing devices or other equipment required to install as needed.

The winter construction charge shall be equal to costs in excess of normal summer construction costs. Winter construction will not be undertaken by the Company where prohibited by law or where it is not practical to install gas main or gas service pipe during the winter season. The Company may reduce winter construction charges only to the extent the Company incurs a corresponding reduction in costs to install facilities during the winter construction period. The same charge reductions will be offered to all similarly situated customers. The Company may not assess customers more than the tariffed winter construction charge(s). Current winter construction charges are as follows:

- Winter Construction Charge: \$5.50 (7 County Metro), \$4.96 (out-state) per lineal foot;
- Frost Charge: \$6.05 (7 County Metro), \$5.77 (out-state) per lineal foot.

Bell Holes: When it is necessary to use thawing devices in order to excavate the bell hole, or locate other utility crossings, there will be a one-time charge of \$279.90 regardless of the number of thawing devices required.

E. Extension of Mains - Limitations

The Company reserves the right to refuse to install its facilities in or to any lot, tract or area if in the Company's judgment it is not economically feasible per the tariffed Customer Extension Model, is not safe for the Company's personnel, the customer, or the general public, or the lot, tract, or area is located remotely from the Company's other general service areas such that effective service, operations, or emergency response capabilities are impacted.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)F. Title To Facilities

Title to all facilities herein provided for, together with all necessary right-of-way, permits and easements shall be and remain in the Company. As a condition of receiving service, the customer shall grant to the Company, without cost, all rights-of-way, easements, permits and privileges which are necessary for the rendering of gas service.

G. ExhibitsMethod:

A standard Customer Extension Model will be used that is designated to calculate the total revenue requirement for each year of the average service life of the plant installed. The model will compare the total revenue requirements for each year with the retail revenues generated from customers served (actual and/or expected) by the project to determine if a revenue deficiency or revenue excess exists. The calculation of retail revenues generated shall not include the Conservation Cost Recovery Charge (CCRC). The calculation of the revenue requirement for residential customers shall exclude the cost of up to a 75 foot service line. The calculation of revenue requirement for commercial and industrial customers shall include the cost of required service line extension.

The Net Present Value (NPV) of the yearly revenue deficiencies or excesses will be calculated using a discount rate equal to the approved overall rate of return authorized in the most recent general rate proceeding. A total NPV of approximately zero (\$0) will show a project is self-supporting.

Customer Extension ModelDefinitions:

All terms describe contents and general operation of the Customer Extension Model used to determine whether a CIAC is required from a customer(s).

- 1) Time Period: Twelve (12) month calendar interval, which is one year of the project life. The year in which the project is constructed is designated as year 0.
- 2) Year.
- 3) Gross Plant Investment: Cumulative plant in service at the end of the year reduced by the net present value of the CIAC in year 0. Plant in service shall be all capitalized costs incurred to provide or capable of providing utility service to the consuming public. Capitalized costs will include items such as pipeline interconnects, pressure regulating facilities, measurement and instrumentation, lateral delivery lines, distribution mains, mapping, customer service lines, meters and regulators.
- 4) Accumulated Depreciation Reserve: Book depreciation for the current year plus all previous years.
- 5) Net Plant In Service: The difference between Gross Plant Investment and Accumulated Depreciation Reserve.
- 6) Average Net Plant.

## EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)G. Exhibits (Continued)

- 7) Average Accumulated Deferred Income Taxes: The average of the beginning and the end of the year accumulated deferred income tax. Accumulated deferred income tax (ADIT) consists of two components: accumulated deferred income taxes on depreciation and accumulated deferred income taxes on the CIAC. At the end of the service life of the plant installed the balance of ADIT will be zero.
- 8) Average Rate Base: Total of Average Net Plant plus Average Accumulated Deferred Income Taxes.
- 9) Allowed Return: Allowed Rate of Return as determined in the Company's most recent general rate proceeding.
- The Allowed Rate of Return multiplied by the Average Rate Base equals the Allowed Return.
- 10) Book Depreciation: The straight line cost recovery of the life of the assets for Gross Plant Investment. The depreciation factor used is based on a weighted average of depreciation rates used in Company's most recent general rate proceeding.
- 11) O & M Expense: In any year shall be based on average incremental cost per customer. The cost per customer will include provisions for incremental distribution and customer accounting expenses. The calculation is average customers multiplied by incremental cost per customer.
- 12) Property Tax: In any year shall be a factor of the gross plant investment (after the CIAC). The factor is based on historical experiences of actual taxes paid as a percentage of gross plant.
- 13) Total Revenue Requirement: Total of Allowed Return, Book Depreciation, O & M Expenses, and Property Tax.
- 14) Retail Revenue: This amount represents the retail revenue generated by multiplying the various retail billing rates (basic charge and delivery charge) approved in the Company's most recent general rate case proceeding by the expected average annual number of customers connected to the project each year.
- 15) Revenue Excess or (Deficiency): Revenue excess or deficiency is the difference between the Total Revenue Requirement and the amount of Retail Revenue. Excess occurs when the Total Revenue Requirement in a given year is less than the total Retail Revenue generated. Deficiency occurs when the Total Revenue Requirement in a given year is more than the total Retail Revenue generated.
- 16) Present Value of Cash Flows: The cash flows that produce either revenue excesses or deficiencies are discounted to a present value using a discount rate equal to the approved overall rate of return established in the most recent general rate proceeding.
- The model will determine what the CIAC would be for a customer in order for the sum of the present value calculations over the life of the project is zero, or as close to zero as possible, the model demonstrates that the project is "self-supporting." That is, the customer's CIAC is the proper amount of customer-contributed capital necessary to support the project at the projected level of retail revenues.



CANCELLED
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Issued By: Theodore Eidukas  
Vice President-Regulatory Affairs  
Submittal Date: November 30, 2016  
\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017

CANCELLED
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## EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDERAvailability:

Service under this rate schedule is available only to geographical areas that have not previously been served by the Company. This rate schedule will enable natural gas service to be extended to areas where the cost would otherwise have been prohibitive under the Company's present rate and service extension policy. Nothing in this rate schedule shall obligate the Company to extend natural gas service to any area. Rather, the New Area Surcharge will be used and implemented at the Company's discretion.

Applicability and Character of Service:

All customers on this rate shall receive service according to the terms and conditions of one of the Company's gas tariff services.

Rate:

As authorized by the MPUC, the total billing rate for any customer class will be the approved rate for that customer class plus a fixed monthly new area surcharge. All customers in the same rate class will be billed the same surcharge. The net present value of the new area surcharge will be treated as a Contribution-in-Aid-of-Construction for accounting and ratemaking purposes. The new area surcharge calculation includes the full life of all plant additions.

Method:

A standard model will be used that is designated to calculate the total revenue requirement for each year of the average service life of the plant installed. The model will compare the total revenue requirements for each year with the retail revenues generated from customers served (actual and/or expected) by the project to determine if a revenue deficiency or revenue excess exists.

The Net Present Value (NPV) of the yearly revenue deficiencies or excesses will be calculated using a discount rate equal to the cost of long-term debt authorized in the most recent general rate proceeding. Projected customer CIAC surcharge revenues are then introduced into the model and the resultant NPV calculation is made to decide if the project is self supporting. A total NPV of approximately zero (\$0) will show a project is self supporting.

The model will be run each year after the initial construction phase of a project wherein actual amounts for certain variables will be substituted for projected values to track recovery of expansion costs and the potential to end the customer surcharge before the full term. The variables, which will be updated in the model, each year will be:

1. The actual capital costs and projected remaining capital costs for the project,
2. Number of customers used to calculate the surcharge revenue and the retail margin revenue, and
3. The actual surcharge and retail revenue received to date and the projected surcharge and retail revenue for the remaining term of the surcharge.

Issued By: Theodore Eidukas  
Vice President-Regulatory Affairs

Submittal Date: November 30, 2016

\*Effective with bills issued on and after this date.

\*Effective Date: February 1, 2017  
Proposed Effective Date: February 1, 2017

## EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDER (Continued)Term:

The term of service under this rate schedule shall vary from area to area depending on the service extension project. However, under no circumstances shall the surcharge applicable to any project remain in effect for a term to exceed thirty (30) years. The Company assumes the risk for under recovery of expansion costs, if any, which may remain at the end of the maximum surcharge term.

Expiration:

The surcharge for all customers in an area subject to the New Area Surcharge Rider shall end on the date specified for the project tariff, on the date the approved revenue deficiency is retired, or at the end of thirty (30) years, whichever occurs first.

Revenue Requirements ModelDefinitions:

All terms describe contents and general operation of the Revenue Requirements Model used to determine a New Area Surcharge Rider for a project.

**Column/Description**

- 1) Time Period: Twelve (12) month calendar interval, which is one year of the project life. The year in which the project is constructed is designated as year 0.
- 2) Year.
- 3) Gross Plant Investment: Cumulative plant in service at the end of the year reduced by the net present value of surcharge revenues in year 0. The discount rate used for this present value calculation is the cost of long-term debt from the Company's most recent rate case. Plant in service shall be all capitalized costs incurred to provide or capable of providing utility service to the consuming public, but excluding the cost of service lines. Capitalized costs will include items such as pipeline interconnects, pressure regulating facilities, measurement and instrumentation, lateral delivery lines, distribution mains, mapping, customer service lines, meters and regulators.
- 4) Accumulated Depreciation Reserve: Book depreciation for the current year plus all previous years.
- 5) Net Plant In Service: The difference between Gross Plant Investment (Column 3) and Accumulated Depreciation Reserve (Column 4).
- 6) Average Net Plant: Average of Column 5.
- 7) Average Accumulated Deferred Income Taxes: The average of the beginning and the end of the year accumulated deferred income tax. Accumulated deferred income tax (ADIT) consists of two components: accumulated deferred income taxes on depreciation and accumulated deferred income taxes on contribution in aid of construction. At the end of the service life of the plant installed the balance of ADIT will be zero.

EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDER (Continued)

8) Average Rate Base: Total of Average Net Plant (Column 6) plus Average Accumulated Deferred Income Taxes (Column 7).

9) Allowed Return: Derived from the Company's most recent general rate proceeding:

Equity Ratio	X	Return on Equity	X	(1+Tax Rate)	=	Weighted Cost
Long Term Debt Ratio	X	Debt Cost	X		=	Weighted Cost
Short Term Debt Ratio	X	Debt Cost	X		=	Weighted Cost
						Allowed Rate of Return

The Allowed Rate of Return multiplied by the Average Rate Base (Column 8) equals the Allowed Return.

10) Book Depreciation: The straight line cost recovery of the life of the assets for Gross Plant Investment defined in Column (3). The depreciation factor used is based on a weighted average of depreciation rates used in Company's most recent general rate proceeding.

11) O & M Expense: In any year shall be based on average incremental cost per customer. The cost per customer will include provisions for incremental distribution and customer accounting expenses. The calculation is average customers multiplied by incremental cost per customer.

12) Property Tax: In any year shall be a factor of the gross plant investment (after contribution-in-aid-of-construction). The factor is based on historical experiences of actual taxes paid as a percentage of gross plant.

13) Total Revenue Requirement: Total of Allowed Return (Column 9), Book Depreciation (Column 10), O & M Expenses (Column 11), and Property Tax (Column 12).

14) Retail Revenue: This amount represents the retail revenue generated by multiplying the various retail billing rates (basic charge and delivery charge, excluding the Conservation Cost Recovery Charge) approved in the Company's most recent general rate case proceeding by the expected average annual number of customers connected to the project each year.



EXTENSION OF NATURAL GAS SERVICE

3. NEW AREA SURCHARGE RIDER (Continued)

15) Revenue Excess or (Deficiency): Revenue excess or deficiency is the difference between the Total Revenue Requirement (Column 13) and the amount of Retail Revenue (Column 14). Excess occurs when the Total Revenue Requirement in a given year is less than the total Retail Revenue generated. Deficiency occurs when the Total Revenue Requirement in a given year is more than the total Retail Revenue generated.

16) Present Value of Cash Flows: The cash flows that produce either revenue excesses or deficiencies (Column 15) are discounted to a present value using a discount rate equal to the cost of long-term debt established in the most recent general rate proceeding.

If the sum of the present value calculations over the life of the project is zero, or as close to zero as possible, the model demonstrates that the project is “self supporting.” That is, the customer CIAC surcharge is the proper amount of customer contributed capital necessary to support the project at the projected (or actual) level of retail revenues.

Surcharge Rider Rates:

A surcharge as designated will be included in the monthly bills of the following Minnesota geographical areas:

<b>Ely Lake Project 20 Year New Area Surcharge Expires 2034</b>	
Residential	\$25.45
Existing Small Commercial	\$25.45

<b>Detroit Lakes—Long Lake Project 15 Year New Area Surcharge Expires 2030</b>	
Residential	\$19.16
Small Commercial/Interruptible	\$36.30

<b>Fayal Township—Long Lake Project 20 Year New Area Surcharge Expires 2036</b>	
Residential	\$21.16
Small Commercial/Industrial	\$40.09



Copies of the official tariff sheets are available at offices providing service under the tariffs, and at the offices of the Minnesota Public Utility Commission (“Commission”). The information available here attempts to be materially the same, but should there be any conflicts or discrepancies, in all cases the official tariffs on file with the Commission will take precedence over these documents.

**DOCUMENTS INCLUDED IN THIS FILE:**

**MERC**

Joint Certification for Firm Transportation Customers	2
Small Volume Interruptible Natural Gas Sales Agreement	4
Small Volume Transportation Service Agreement	7
Small Volume Balancing Service Addendum to Gas Transportation Service Agreement	12
Small Volume Balancing Services Agreement	14
Small Joint Firm/Interruptible Natural Gas Sales Agreement	15
Large Volume Interruptible Natural Gas Sales Agreement	18
Large Volume Transportation Service Agreement	21
Large Joint Firm/Interruptible Gas Sales Agreement	23
Large Volume Balancing Service Addendum to Large Volume Transportation Service Agreement	30
Super Large Volume Transportation Service Agreement	31



**Minnesota Energy Resources Corporation  
CERTIFICATION FOR FIRM TRANSPORTATION CUSTOMERS**

[Name of individual signing for Customer], [position], of [Customer name] (“Customer”) and [name of individual signing for Marketer], [position], of [Marketer name] (“Marketer”) certify and agree as follows:

1. Customer and Marketer represent to Minnesota Energy Resources Corporation (“MERC” or “Company”) that one or both of them have and will maintain, or will have and maintain at all relevant times, firm transportation rights on transporting pipelines upstream of Company’s natural gas distribution system to deliver on a firm basis all volumes of gas to Company for Customer’s accounts identified on Exhibit “A” attached hereto.
2. In the event any such firm transportation rights are terminated or limited in any manner so that Customer and Marketer are unable to deliver gas to Company’s natural gas distribution system as provided above, then Customer and Marketer shall immediately notify Company in writing sent by facsimile to the following number: \_\_\_\_\_.
3. Customer and Marketer shall jointly and severally indemnify and hold Company harmless from all suits, actions, claims, debts, liabilities, accounts, damages, costs, losses, penalties and expenses (including attorney’s fees and court costs) arising out of the failure of Customer and Marketer to maintain, or cause to be maintained, the firm transportation rights described herein.
4. This Certification shall be governed and construed in accordance with the laws of the State of Minnesota.
5. [Name of individual signing for Customer] warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Customer and that execution of this Certification serves to bind Customer.
6. [Name of individual signing for Marketer] warrants, represents, and certifies that he/she is authorized to sign this Certification on behalf of Marketer and that execution of this Certification serves to bind Marketer.
7. This Certification may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same agreement, and may be executed and delivered by facsimile signature, which shall be considered an original.

**Marketer Name**

**Customer Name**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



**Exhibit "A"**  
**Customer Firm Accounts**



## SMALL VOLUME INTERRUPTIBLE NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and customer hereby agrees to purchase and receive natural gas on an interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company’s Tariffs and the applicable regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utility Commission, as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company’s office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Interruptible Nature of Sale.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means off alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. Customer’s usage of unauthorized volumes is subject to penalties for unauthorized use in accordance with Company’s tariffs. Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a *force majeure* operating situation. A *force majeure* operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a *force majeure* operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the *force majeure* operating situation.

The payment for unauthorized volumes shall not give Customer the right to take



unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_\_\_, and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401 and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind



and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

Minnesota Energy Resources Corporation (“MERC”)

\_\_\_\_\_  
*(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## SMALL VOLUME TRANSPORTATION SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service will be provided on a firm basis and contingent upon adequate system capacity only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint certification confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capability and adequate fuel supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 et seq. and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“Commission”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. All Small Volume Transportation Customers must install telemetry equipment or purchase the Small Volume Customer Balancing Service provided in Company’s Tariff. Customer shall reimburse Company for the costs incurred by Company to install telemetry equipment or other related improvements. Any such equipment and improvements shall remain the property of Company.

3. **Charges:** Customer shall be responsible for and shall pay to Company the charges





as set-forth in its Tariffs. :

Customer Charge: \$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the Commission from time to time.

Daily Firm Capacity Charge: If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.

Commodity Charge: All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company's rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company's Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.

Optional Services: The following services, described in Company's Tariff sheet 6.07 and 6.08, are available at Customer's option:

Small Volume Balancing Service  
Aggregation Service

Customer has initialed which of the above listed optional services, if any, are desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company's Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ ( ) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.



5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra-day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (See Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.



Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

11. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC")	Company:
Attention:	Attention:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:

12. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the Commission and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas.



Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

13. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

(a) the risk that Customer may incur penalties for usage of unauthorized volumes described in the Company’s Tariffs in Section 13 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and

(b) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

14. **Entire Agreement:** This Agreement and Company’s Tariffs constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**(“MERC”)**

**“Customer”**

\_\_\_\_\_  
(print name)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



## SMALL VOLUME BALANCING SERVICES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer and Company have entered into a Small Volume Transportation Service Agreement; and

WHEREAS, Customer desires Company to provide a daily balancing service; and

WHEREAS, Company is willing to provide such service pursuant to the terms and conditions provided below.

NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, the parties agree as follows:

1. **Availability.** Small Volume customers with daily consumption of less than 200 dekatherms who elect transportation service may purchase Company’s Small Volume Balancing Service in lieu of meeting Company Tariff requirements for the installation of telemetry and daily scheduling requirements. Customer represents that it meets the service availability requirements for balancing services under this Agreement.
2. **Nominations.** Customer must submit a daily nomination to Company on the days the balancing services are used. Such nominations shall be made as provided in Company’s tariff.
3. **MDQ Requirements; Penalties.** Under certain circumstances described below, Company may, at its option, require Customer to deliver its MDQ to the Receipt Point up to a cumulative 20 days during the months of November through March. The delivery of the MDQ must be confirmed. Confirmation occurs when Company receives confirmed nomination from the interstate pipeline. In the event that the interstate pipeline calls a “Critical Day” or “Operational Flow Order,” Customer must, without notice from Company, deliver its MDQ to the Receipt Point. In the event that Company calls a Critical Day or issues an Operational Flow Order, Company will notify Customer via fax that Customer must deliver its MDQ to the Receipt Point. Company will provide Customer with at least 25 hours’ notice prior to the start of the gas day for which such Critical Day or Operational Flow Order applies. Note, however, that Company will automatically require, without providing notice to Customer, that Customer deliver its MDQ whenever the interstate pipeline calls a Critical Day or Operational Flow Order.

If Customer fails to deliver its MDQ as required and the interstate pipeline has called a Critical Day or Operational Flow Order or the Company has called a Critical Day, then Company shall assess a penalty to Customer for each dekatherm that Customer failed to deliver in an amount equal to the highest daily penalty applicable to a Critical Day as defined by the interstate pipeline in its tariff. If Company has not called a Critical Day but has issued an Operational Flow



Order and Customer fails to deliver its MDQ, then Company will assess a penalty to Customer in an amount equal to that identified in Sheet 6.09 of Company’s Tariff for each dekatherm that Customer failed to deliver.

4. **Definitions.** Capitalized terms not otherwise defined herein shall have the definitions ascribed to them in Company’s Tariff. A “Critical Day”, when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s Tariff and, when called by Company, is defined as any day during which, in the sole judgment of Company, service is limited due to capacity constraints, operational problems or any other cause. Service limitations include, but are not limited to, curtailment or interruption. A Critical Day may be declared with respect to any one or more delivery and/or receipt points. An “Operational Flow Order,” when called by the interstate pipeline, has the meaning set forth in the interstate pipeline’s tariff and, when called by Company is defined as notice issued by Company to Customer requiring the delivery of specified quantities of gas to Company for the account of Customer at times deemed necessary by Company to maintain system integrity and to assure continued service. An Operational Flow Order may be issued to the smallest affected area. For example, a single receipt point, receipt points on a pipeline or the entire system. Notwithstanding anything herein to the contrary, Company may curtail Customer with respect to the Interruptible MDQ only.

5. **Fee.** Customer shall pay Company 7.0¢ per dekatherm transported by Customer on Company’s system for this balancing service.

6. **Term.** The term of this Agreement shall commence \_\_\_\_\_, 20\_\_\_\_, and continue until terminated by either party upon thirty (30) days prior written notice to the other party.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

**Minnesota Energy Resources Corporation**  
**(“MERC”)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



ELECTION OF SMALL VOLUME BALANCING SERVICE
ADDENDUM TO
GAS TRANSPORTATION AGREEMENT

This Addendum is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Minnesota Energy Resources Corporation ("MERC" or "Company"), and \_\_\_\_\_ ("Customer"), and provides for an election of a Small Volume Balancing Service.

WHEREAS, Company and Customer have entered into a Gas Transportation Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Agreement") and now desire to amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein, the parties hereto agree and acknowledge their execution of that Agreement and desire and agree that the following terms shall become a part of the Agreement by this Addendum as if originally included in the Agreement.

1. Election of Company's Small Volume Balancing Service

Customer may elect and agree to the Small Volume Balancing Service as set forth in Company's Gas Tariff, Sheet No. 6.08, on file with the Minnesota Public Service Commission, as indicated below:

- \_\_\_\_\_ Customer elects to participate in Company's Small Volume Customer Balancing Service
\_\_\_\_\_ Customer declines participation in Company's Small Volume Customer Balancing Service

If Customer declines participation in Company's Small Volume Customer Balancing Service, Customer understands and agrees that it shall be subject to and responsible for all balancing and scheduling charges and penalties contained in Company's tariff, as the same may be amended from time to time. In addition, Customer shall reimburse and indemnify Company for all costs incurred by Company from the interstate pipeline transporter on Customer's behalf.

2. This Addendum shall commence on the date written above and shall remain in effect through the same term stated in Customer's Gas Transportation Agreement referenced above.

3. As amended by this Addendum, the Agreement is ratified and remains in full force and effect.

4. All charges, including, but not limited to, the Fixed Rate, Demand Charge, Commodity Charge, and all terms and conditions applicable to this Small Volume Balancing Service set forth in Company's Gas Tariff, remain in full force and effect.

5. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the Agreement, and the terms and provisions of Company's Tariff, the terms and provisions of Company's Tariff shall control.

The parties have executed this Agreement as evidenced by their signatures below.

Minnesota Energy Resources Corporation ("MERC") <Customer Name Here>
Account #: \_\_\_\_\_

By: \_\_\_\_\_
Title: \_\_\_\_\_

By: \_\_\_\_\_
Title: \_\_\_\_\_



## SMALL JOINT FIRM/INTERRUPTIBLE NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation ("MERC" or "Company") and \_\_\_\_\_ ("Customer").

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and Customer hereby agrees to purchase and receive natural gas on a joint service firm-interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_.

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance with Company's Tariffs and the applicable regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utilities Commission as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, rules, regulations, terms and conditions upon demand directed to Company's office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Nature of Sales Joint Firm/Interruptible Service.**

(a) **Firm Gas ("Contract Demand Volumes").** The daily contract demand volume of firm gas to be delivered hereunder shall be \_\_\_\_\_ dekatherms and shall be the maximum volume of gas Company is obligated to deliver to the customer on any billing day.

(b) **Interruptible Gas.** On any given day customer may purchase volumes of gas in excess of the Firm gas volume in (a) above, when such additional volumes are available.

(c) **Curtailement.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of Interruptible Gas (b) above and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means of alternate energy utilization equipment which is in place and operable.

If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$50 per dekatherm for gas used in excess of the volumes of gas to which





Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

A force majeure operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a force majeure operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the force majeure operating situation. The payment for unauthorized volumes shall not give Customer the right to take unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of Service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective \_\_\_\_\_ and shall continue in effect until \_\_\_\_\_ and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Joint Service.** Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan,



Minnesota 55122-3401 and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Name of Person to be Notified: \_\_\_\_\_

Title of Person to be Notified: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
(“MERC”)

Customer

\_\_\_\_\_  
(print name)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



## LARGE VOLUME INTERRUPTIBLE NATURAL GAS SALES AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

It is hereby agreed as follows:

1. **Gas to be Sold.** Company hereby agrees to sell and deliver and customer hereby agrees to purchase and receive natural gas on an interruptible basis at the location and for the specific uses designated as follows: \_\_\_\_\_

2. **Terms of Sale.** Natural gas sold and delivered hereunder shall be furnished in accordance in accordance with Company’s Tariffs and the applicable, regulations, terms and conditions of service (which by this reference are made a part hereof) as filed with the Minnesota Public Utilities Commission, as modified from time to time by Company. Customer may inspect or obtain a copy of such rates, regulations, terms and conditions upon demand directed to Company’s office.

It is specifically agreed that Company shall have the right to make and to file with the regulatory authority of the state in accordance with the rules and regulations of such regulatory authority and the applicable statutes of the state, such changes in rates and new rates or rate schedules as are required to enable Company to recover its cost of service including a fair return.

3. **Interruptible Nature of Sale.** Delivery of natural gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible nature of the service and its need to either shut down its gas utilization equipment or switch to an alternate energy supply by means off alternate energy utilization equipment which is in place and operable.

Any volume of gas taken by a customer in excess of the authorized limitation specified by Company as a result of curtailment or interruption ordered hereunder shall be considered unauthorized volumes. usage of unauthorized volumes is subject to penalties for unauthorized use in accordance with Company’s tariffs. Such charge will be in addition to the normal rate for volumes consumed unless such volumes were taken because of a *force majeure* operating situation. A *force majeure* operating situation is defined as a situation involving unintentional runaway takes of gas directly resulting from fire, flood, earthquake, storm, impact by a falling or out-of-control object, explosion, riot, vandalism, war or insurrection. In the event of a *force majeure* operating situation, Customer shall notify Company at once and shall furnish proof in writing that the taking of such unauthorized volumes was a direct result of the *force majeure* operating situation.

The payment for unauthorized volumes shall not give Customer the right to take



unauthorized volumes, nor shall such payment exclude or limit any other remedies, including the discontinuance and disconnection of service, available to Company against the Customer for failure to comply with its obligation to stay within its authorized limitations.

4. **Delivery Pressure.** Delivery of natural gas by Company shall be at such varying pressures as may exist under operating conditions in the pipeline of Company at the point of delivery.

5. **Term.** This Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, 20\_\_, and unless terminated on such date, shall continue in effect thereafter until cancelled by either party on ninety (90) days' prior written notice.

6. **Request to Transfer to Non-Interruptible Service.** Customer agrees to take interruptible service for the period November 1 through October 31. Customer may not transfer to non-interruptible service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

7. **Notices.** Notices to Company under this Agreement shall be addressed to it at its State office at Minnesota Energy Resources Corporation, 1995 Rahncliff Ct., Suite 200, Eagan, Minnesota 55122-3401, and notices to Customer, including notices of interruption as specified in Company's tariff terms and conditions, shall be directed to:

Title of person to be notified: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may change its address or person to receive notice under this section at any time upon written notice.

8. **Succession and Assignment.** This Agreement and each of its terms shall bind



and inure to the benefit of the parties hereto, their respective successors and assigns.

9. **Regulatory Commission Authority.** This Agreement is subject to, and conditioned upon, Company and/or its supplier, securing the necessary approval of any regulatory authorities having jurisdiction, for the sale of the natural gas contemplated hereunder, and the construction and operation of the necessary facilities required to deliver said natural gas.

The parties have executed this Agreement as evidenced by their signatures below.

“Company”

“Customer”

Minnesota Energy Resources Corporation (“MERC”)

\_\_\_\_\_  
*(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## LARGE VOLUME TRANSPORTATION SERVICE AGREEMENT

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible or joint firm/interruptible basis by Company. Service hereunder shall be offered on an interruptible or joint firm/interruptible basis. Service will be provided on a firm basis contingent upon adequate system capacity and only if Customer has arranged firm transportation for such gas supplies on the interstate pipeline serving Company’s distribution system and Customer has provided to Company a joint certification confirming this signed by Customer and, if applicable, Customer’s gas supplier. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capacity and adequate full supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 et seq. and pursuant to the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“Commission”), as the same may be amended, modified or superseded from time to time (the “Tariff”). Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed prior to the commencement of natural gas service to Customer.

3. **Charges:** Customer shall be responsible for and shall pay to Company the charges as set-forth in its Tariffs:



Customer Charge: \$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be approved by the Commission from time to time.

Daily Firm

Capacity Charge: \_\_\_\_\_ If applicable, the amount is set forth in Customer’s regular sales tariff schedule in Sheet 7.07, Column F.

Commodity Charge:

All volumes received by Customer hereunder shall be charged a rate equal to the tariff margin component of Company’s rate then in effect under its sales rate schedule for Customer as shown on Sheet 7.07, Column D of Company’s Tariff. In addition, Customer must pay for all fixed gas costs assigned to Customer in the regular sales tariff rate. Fixed gas costs could include but are not limited to the following: Daily Firm Capacity Charges, and Annual Cost Adjustment Charges.

Additional costs will be assigned as they are authorized by the FERC or the Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company’s sales tariff schedule.

Optional Services:

The following service, described in Company’s Tariff sheet 6.08 is available at Customer’s option:

Large Volume

Balancing Service

Customer shall initial the above listed optional service, if any, is desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company’s Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ (\_\_\_) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.

5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which



accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.

7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$50 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff).

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and





one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.

10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

11. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") Attention: Address:  Telephone: Fax:	Company:  Attention: Address:  Telephone: Fax:

12. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the Commission and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or



any other changes to Company’s Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

13. **Acknowledgement of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:

- (a) the risk that Customer may incur penalties for usage of unauthorized volumes described in the Company’s Tariffs in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and any charges Company incurs from the pipeline on behalf of Customer; and
- (b) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

14. **Entire Agreement:** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

<p><b>Minnesota Energy Resources Corporation</b>  <b>(“MERC”)</b></p> <p>_____</p> <p>By: _____</p> <p>Title: _____</p>	<p>Customer</p> <p>_____</p> <p style="text-align: center;"><i>(print name)</i></p> <p>By: _____</p> <p>Title: _____</p>
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LARGE JOINT FIRM/INTERRUPTIBLE  
GAS SALES AGREEMENT  
(Minnesota)

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

WHEREAS, Customer desires to obtain natural gas service from Company and Company is willing to provide such service on the terms and conditions set forth herein. NOW, THEREFORE, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability.** Service under this Agreement is available to customers who qualify for service under Company’s Tariffs, which is a part of Company’s tariff on file with the Minnesota Public Utilities Commission (“Commission”), as the same may be amended, modified or superseded from time to time. Customer represents that it meets the service availability requirements for service under this Agreement.

2. **Service Considerations.** During the term of this Agreement, Company shall be Customer’s exclusive natural gas distributor. Service hereunder will be for a base of firm gas volume, supplemented by interruptible volumes.

This Agreement in all respects shall be subject to the applicable provisions of the Company’s Tariffs and the General Rules, Regulations, Terms and Conditions of Company’s Tariff on file with the Commission, or any effective superseding General Terms and Conditions on file with the Commission . Gas sold and delivered hereunder by Company shall not be resold by Customer to a third party. In case of any discrepancy between the terms of this Agreement and the Tariffs and General Terms and Conditions, the Tariffs and General Terms and Conditions shall control.

3. **Gas To Be Sold.** Company agrees to sell firm and/or interruptible gas and deliver gas to Customer, and Customer agrees to purchase and receive such gas for its own use for the following purpose, namely: \_\_\_\_\_.

a. **Firm Gas Sales:** The daily Contract Demand volume of firm gas to be delivered hereunder shall be \_\_\_\_\_ MMBtu and shall be the maximum volume of gas Company is obligated to deliver to Customer on any billing day.

b. **Interruptible Sales:** On any given day Customer may purchase volumes of gas in excess of the firm gas entitlement when such additional volumes are available.

Delivery of gas hereunder is subject to curtailment or interruption whenever required by Company or its supplier for the protection of deliveries of firm gas or deliveries of other gas carrying a higher priority than that delivered hereunder. Customer recognizes the interruptible



nature of the service and acknowledges its responsibility either to shut down its plant operations or to maintain complete standby facilities and alternate fuel supply to maintain plant operations during full or partial curtailment or interruption of service hereunder. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so.

4. **Charges.** Customer shall be responsible for and shall pay to Company the charges applicable to the service provided hereunder as set forth in Company's Tariff, as the same may be amended, modified or superseded from time to time.

Customer's minimum monthly bill will be the sum of the Customer Charge, Contract Demand Charge and Commodity Charge, subject to change in accordance with the Company's Purchased Gas Adjustment-Uniform Clause contained in the Tariff.

5. **Term.** The primary term of this Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_, and shall continue in effect until \_\_\_\_\_, \_\_\_\_\_ and thereafter until terminated by either party upon six (6) months written notice.

6. **Penalty For Unauthorized Takes When Service is Interrupted.** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed the applicable charges in paragraph 4 above, plus either the applicable charge from the transporting pipeline (see Sheet No. 6.50 of the Tariff) or \$50.00 per dekatherm so taken, whichever is greater. However, if Customer is served off Northern Natural Gas Company's pipeline, and if Northern calls a Critical Day, Customer shall be billed for all commodity volumes at the applicable rate in paragraph 4 plus the then current Critical Day daily delivery variance charge ("DDVC") for each dekatherm so taken when service is interrupted.

7. **Billing and Payment.** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on past due amounts in excess of \$10.00 and shall be the greater of \$1.00 and one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day



before the penalty is assessed.

8. **Request to Transfer to Non-Joint Service.** Customer agrees to take joint firm/interruptible service for the period November 1 through October 31. Customer must maintain joint gas service and must nominate a DFC for the entire November through October period. Customer may not transfer to interruptible or firm service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. Customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

9. **Notices.** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses specifically provided in this Agreement or, if not so provided, to the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") Attention: Address:  Telephone: Fax:	Company:  Attention: Address:  Telephone: Fax:

10. **Commission Authority.** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof, and to all present and future orders, rules, and regulations of the Commission and any other regulatory authorities having jurisdiction over (i) the sale of natural gas contemplated hereunder or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company's Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this



Agreement and the Tariff, the Tariff shall control.

11. **Entire Agreement.** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation  
“MERC”**

**“Customer”**

\_\_\_\_\_  
*(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



ELECTION OF LARGE VOLUME BALANCING SERVICE
ADDENDUM TO
LARGE VOLUME TRANSPORTATION SERVICE AGREEMENT

This Addendum is made and entered into as of the \_\_\_ day of \_\_\_, \_\_\_, by and between Minnesota Energy Resources Corporation ("MERC" or "Company"), and \_\_\_ ("Customer").

WHEREAS, Company and Customer have entered into a Large Volume Transportation Service Agreement dated \_\_\_, \_\_\_ (the "LVTS Agreement");

WHEREAS, Customer desires to participate in the Large Volume Balancing Service Program; and WHEREAS, Company and Customer desire to amend the LVTS Agreement as provided herein.

NOW, THEREFORE, in consideration of the above premises and the covenants contained here, Company and Customer agree as follows:

1. Service Description. Customer elects to participate in the Large Volume Balancing Service ("LVBS") Program as set forth in Company's Tariff, Sheet No. 6.08, on file with the Minnesota Public Utility Commission ("Commission"), subject to change as may be approved by the Commission from time to time. The LVBS allows Customer's daily usage to vary from its nomination by the amount of service Customer chooses to purchase. Customer chooses to purchase the following number of units of the LVBS:

Number of Units: \_\_\_ Customer's/Representative's Initials: \_\_\_

2. Term. This Addendum shall commence on the date written above and shall remain in effect through the same term stated in Customer's LVTS Agreement referenced above.

3. Price. The price for the LVBS is set forth in Company's Tariff, subject to change as may be approved by the Commission from time to time.

4. Limitations. The LVBS will not be available on pipeline SOL, SUL, or Critical Days, days Company issues a Curtailment Day, or any other day Company determines, in its sole judgment, that LVBS would be detrimental to its General Service customers.

5. Miscellaneous. As amended by this Addendum, the LVTS Agreement is ratified and remains in full force and effect. In the event of any inconsistencies between the terms and provisions of this Addendum, the terms and provisions of the LVTS Agreement, and the terms and provisions of Company's Tariff, the terms and provisions of Company's Tariff shall control. Any terms not defined herein shall have the meaning ascribed to them in Company's Tariff.

The parties have executed this Addendum as evidenced by their signature below.

Minnesota Energy Resources Corporation Name: \_\_\_
("MERC") Account #: \_\_\_

By: \_\_\_ By: \_\_\_
Title: \_\_\_ Title: \_\_\_



**SUPER LARGE VOLUME TRANSPORTATION  
SERVICE AGREEMENT**

This Agreement is between Minnesota Energy Resources Corporation (“MERC” or “Company”) and \_\_\_\_\_ (“Customer”).

Whereas, Customer has obtained or will obtain supplies of natural gas and desires Company to receive such natural gas and transport and deliver such gas to Customer, and to provide certain other related services to Customer; and

Whereas, Company is willing to provide natural gas transportation and related services to Customer, subject to the terms and conditions set forth herein.

Now, therefore, in consideration of the above premises and the covenants contained herein, Company and Customer agree as follows:

1. **Availability:** Service under this Agreement is available to any non-general service customer who purchases gas supplies that can be transported on an interruptible basis by Company. Interruptible transportation is available only if Customer has and will maintain both the proven capability and adequate fuel supplies to use alternate fuel if Company’s service to such Customer is interrupted. At Company’s request, Customer must demonstrate that it has such capability and fuel supplies and a Human Needs Customer must provide an affidavit that it will maintain both the proven capacity and adequate full supplies. Customer represents that it meets the service availability requirements for transportation service under this Agreement.

2. **Service Considerations:** Service hereunder is provided by Company pursuant to its Transportation Rate Schedule, Sheet Nos. 6.00 Tariff and the General Rules, Regulations, Terms and Conditions, all as contained in Company’s Gas Tariff on file with the Minnesota Public Utilities Commission (“Commission”), as the same may be amended, modified or superseded from time to time. Customer is responsible for reimbursing Company for all on-site plant investments, including telemetry equipment, installed by Company to provide transportation service to Customer. Any such investment shall remain the property of Company. The telemetry equipment must be installed prior to the commencement of natural gas service to Customer.

3. **Charges:** Customer shall be responsible for and shall pay to Company the following charges for the periods indicated or as otherwise applicable:

<u>Customer Charge:</u>	\$110.00 per month per metered account for administrative costs related to transportation, plus the monthly Customer charge per account according to the applicable sales rate schedule for which Customer would otherwise qualify, subject to change as may be
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approved by the Commission from time to time.

Daily Firm

Capacity Charge:

If applicable, the amount is set forth in Customer's regular sales tariff schedule in Sheet 7.07, Column F.

Commodity Charge:

All volumes received by Customer hereunder shall be charged a rate equal the amount contained in Revised Sheet No. 6.20.

Additional costs will be assigned as they are authorized by the FERC or the Commission to be charged for transportation services, including but not limited to take-or-pay costs, TCR costs, and GRI costs. In addition, all volumes delivered from system gas supply shall be charged the rate set forth in the appropriate Company's sales tariff schedule.

Optional Services:

The following service, described in Company's Tariff sheet 6.23 or 6.28 as applicable, is available at Customer's option:

Aggregation Service

If the Customer has initialed the above listed optional services, if any, that is desired by Customer and agrees to pay the charges associated therewith according to and as set forth in Company's Tariff. Customer shall, upon request of Company, execute such agreements, as Company deems necessary or appropriate to effectuate the above services.

4. **Term:** This Agreement shall remain in effect for a primary term of \_\_\_\_\_ (\_\_) years from the date service commences hereunder, and thereafter from year to year until canceled by either party on six (6) months prior written notice to the other party.

5. **Balancing:** Customer agrees that nominated volumes and actual receipt and delivery volumes must balance. Customer is responsible for: (a) providing nominations which accurately reflect Customer's expected consumption, and (b) balancing volumes consumed at the delivery points with deliveries to Company's system. Failure to fulfill these responsibilities will result in Customer incurring balancing and/or scheduling charges described in Company's Transportation Rate Schedule, which charges shall be in addition to any Company charges, and which charges shall change as the interstate pipeline changes its rates.

6. **Pipeline Charges; Capacity Assignment:** Any charges which Company incurs from a pipeline on behalf of Customer will be passed through to Customer. Such charges may include but are not limited to any other charges referenced in Sections 5 and 8 of this Agreement.



7. **Nominations:** If Customer desires volumes to flow on the first day of the month, Customer must directly advise Company's Gas Supply Services Division, by facsimile or telephone notice at the address and telecommunications numbers provided in Section 10, by 9:00 a.m. (Central Clock Time) five (5) working days prior to the end of the preceding month of the volumes to be delivered on Customer's behalf.

For intra month nomination changes, to be effective at 9:00 a.m. (Central Clock Time), Customer must directly advise Company's Gas Supply Services Division by 9:00 a.m. (Central Clock Time) on the day preceding the effective date of the nomination change. Intra day nominations will be accepted by Company on a best efforts basis, until 3:00 p.m. (Central Clock Time) on the day of gas flow if the nomination is confirmed by the interstate pipeline.

8. **Penalty for Unauthorized Takes When Service is Interrupted or Curtailed:** If Customer fails to curtail its use of gas hereunder when requested to do so by Company, Customer shall be billed at the transportation charge, plus the cost of gas Company secures for Customer, plus the greater of either pipeline daily delivery variance charges (see Sheet 6.50 of Company's Tariff) or \$50.00 per dekatherm for gas used in excess of the volumes of gas to which Customer is limited. Company may in addition disconnect Customer's supply of gas in the event of Customer's failure to curtail its use thereof when requested by Company to do so (see Sheet 6.09 of Company's Tariff). Further, as applicable, Customer shall pay relevant pipeline penalties, as applicable.

9. **Billing and Payment:** Bills shall be calculated in accordance with the applicable rate schedule each month and shall be payable monthly. Upon request, Company shall give Customer the approximate date on which Customer should receive its bill each month, and if a bill is not received or is lost, Company shall, upon request, issue a duplicate. Failure to receive a bill shall not relieve Customer from payment.

The bill shall be considered rendered to Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the bill shall be considered rendered when delivered to the last known address of the party responsible for payment. Bills become delinquent if not paid within seventeen (17) days after rendering of the bill. When Customer payments are made by mail, bills will be considered as having been paid on the date of mailing as shown by postmark.

Late payment penalties are assessed on the past due amount and shall not exceed one and one-half percent (1½%) per month of the past due amount. The penalty date shall be not less than seventeen (17) days after the rendering of the bill and shall be considered to have expired at office opening time of the next day after the date indicated on the bill. Mail payments are considered to have been paid on the date of the postmark. If the penalty date falls on a Saturday, Sunday or holiday, it will be extended to the next normal working day before the penalty is assessed.



10. **Request to Transfer to Sales Service:** Customer agrees to take transportation service for the period November 1 through October 31. Customer may not transfer to sales service until the next November 1st and must notify the Company in writing at least ninety days prior to the transfer. A customer may only transfer to firm sales service if Company is able to arrange adequate additional firm gas entitlements to meet the needs imposed on its system by the customer, without jeopardizing system reliability or increasing costs for its other customers. If Customer faces unforeseen circumstances that were not known ninety days prior to November 1, Customer may request a waiver of the notice requirement to allow Customer to transfer service. The Company has sole discretion to grant or deny such a request and may only grant such a request if the Company determines that (1) unforeseen circumstances prevented Customer from timely requesting to transfer service, (2) adequate gas supply and interstate pipeline capacity is available to serve Customer, and (3) the waiver will not result in any detriment to existing system sales customers. If the Company waives the notice requirement, the Company may require the customer to pay an exit fee to recover the costs related to a switch to or from service under this rate schedule. This exit fee may include, but is not limited to, any above market gas commodity costs, any interstate pipeline transportation and/or storage costs, and any other demand costs.

11. **Notices:** Notices required or otherwise given under this Agreement, except notices specifically allowed to be provided by facsimile, shall be given in writing and mailed by first class mail to the other party at the addresses provided below:

Company:	Customer:
Minnesota Energy Resources Corporation ("MERC") Attention: Address:  Telephone: Fax:	Company:  Attention: Address:  Telephone: Fax:

12. **Regulatory Commission Authority:** The provisions of this Agreement are subject to Company's Tariff, all valid legislation with respect to the subject matter hereof and to all present and future orders, rules, and regulations of the Commission and any other regulatory authorities having jurisdiction over (i) the transportation of natural gas contemplated hereunder, or (ii) the construction and operation of any facilities required to deliver said natural gas. Customer agrees that Company shall have the right to unilaterally make and to file with any and all regulatory bodies exercising jurisdiction, now or in the future, changes in rates or new rates or any other changes to Company's Tariff, and that Customer shall be bound by such changes or new rates as are approved by such regulatory bodies. In the event of any conflict between the terms of this Agreement and the Tariff, the Tariff shall control.

13. **Acknowledging of Transportation Risks:** Customer hereby acknowledges and accepts the following risks and requirements associated with transporting gas:



- (a) the risk that Customer may incur penalties for unauthorized takes described in Section 14 of Company’s Tariff Sheet No. 6.09, balancing and scheduling charges pursuant to Section 7 of Company’s Tariff Sheet No. 6.03, and any charges Company incurs from the pipeline on behalf of Customer; and
- (b) that Customer must stop using gas when notified by Company or by Customer’s gas supplier of any interruption affecting Customer’s gas supply or transportation service.

14. **Entire Agreement:** This Agreement and Company’s Tariff constitute the entire agreement of the parties with respect to the subject matter hereof, and supersedes and replaces all other prior or contemporaneous agreements between the parties regarding such subject matter.

The parties have executed this Agreement as evidenced by their signatures below.

**Minnesota Energy Resources Corporation**  
**“MERC”**

**“Customer”**

\_\_\_\_\_ *(print name)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_





24-Hour Customer Service  
24-Hour Gas Emergencies

800-889-9508  
800-889-4970

www.minnesotaenergyresources.com

Bill Date	Account Number	Payment Due Date	Amount Due
mm/dd/yyyy	1234567890-12345	mm/dd/yyyy	\$00.00

**Customer Name** JOHN D SMITH  
**Service Address** 1234 UTILITY DR  
ANYTOWN MN 12345-6789

**Activity Since Last Bill**

Previous Balance mm/dd/yyyy \$0.00  
Payment Received mm/dd/yyyy \$0.00  
Balance \$0.00  
Total Current Charges \$0.00  
Total Current Balance \$0.00

**Gas Residential With Heat**

**GS-Res NNG**

Meter Number 123456 Actual Reading mm/dd/yyyy 0000  
Actual Reading mm/dd/yyyy 0000  
00  
Meter Constant x 0.0000  
Gas Used (CCF) 00  
Therm Conversion 00 x 0.000 BTU Factor = 000 Therms

**Local Distribution Service**

Monthly Customer Charge xx Days at \$0.00000 \$0.00  
Distribution Charge xx Therms at \$0.00000 \$0.00  
Interim Distribution Charge xx Therms at \$0.00000 \$0.00

**Gas Supply Service**

Base Gas Cost xx Therms at \$0.000000 \$0.00  
Purchased Gas Adjustment xx Therms at \$0.00000 (xx/xx Days) \$0.00  
Purchased Gas Adjustment xx Therms at \$0.00000 (xx/xx Days) \$0.00

**Other Service Charges/Credits**

2014 Decoupling Adjustment xx Therms at \$0.00000 \$0.00  
Affordability Surcharge xx Therms at \$0.00000 \$0.00  
Conservation Cost Recovery Adj xx Therms at \$0.00000 \$0.00

**Tax**  
State Tax 0.00% of \$00.00 \$0.00  
Franchise Fee Anytown \$0.00 \$0.00

**Total Gas Service Charges \$00.00**

**Total Current Charges \$00.00**

**Messages**

Even out your energy bills! Enroll in Budget Billing by paying exactly \$00.00, rather than the amount due shown. This will then be your monthly Budget amount. Every six months, your account will be reviewed and your payment may be adjusted to better reflect your actual use.

ACCOUNT NUMBER: 1234567890-12345

Page 1 of 1

Please return this stub with your payment.



Account Number: 1234567890-12345



00000637

JOHN D SMITH  
1234 UTILITY DR  
ANYTOWN, MN 12345-6789



Minnesota Energy Resources  
PO Box 19002  
Green Bay, WI 54307-9002

Issued by: Theodore Eidukas, Vice President Regulatory Affairs  
Submittal Date: November 30, 2016

**Account Summary**

Billing Period: mm/dd/yyyy to mm/dd/yyyy

_Month YYYY	
Billing Days	00
Avg Daily Temp	00° F
Therms Used	00
Avg Therms/Day	0.0

**Therms Used By Month**

**Monthly Charges**

<b>Amount Due By</b>	<b>mm/dd/yyyy</b>	<b>\$00.00</b>
A 1.5% late fee will be charged on unpaid balances over \$10		
<i>Please write your account number on your check.</i>		
Amount Enclosed		
<div style="border: 1px solid black; width: 150px; height: 20px; margin: 0 auto;"></div>		

I want to support the HeatShare program, which helps pay energy expenses for those in need. I have circled my monthly gift amount below.  
\$1    \$5    \$10    \$20    Other \_\_\_\_\_

0110420983091000014 1000007671

Effective Date: February 1, 2017

## Helpful Information

### Billing Questions Or Complaints

If you have any questions or concerns about your bill, please contact us prior to the bill due date, so we can help.

Register any inquiry or complaint at Minnesota Energy Resources, PO Box 2176, Scottsbluff, NE 69363 or 800-889-9508.

You can also contact us for any of the following:

- Rate options & explanation of rates.
- How to calculate or verify the accuracy of your bill.
- Evaluating your energy use.
- Energy conservation efforts.
- Updating your account information.
- Billing & payment options.
- A free customer information booklet.

### Contacting Us

Phone: 800-889-9508  
 Email: customerservice@minnesotaenergyresources.com  
 Mail: PO Box 19002, Green Bay, WI 54307-9002  
 Web: www.minnesotaenergyresources.com

### Late Payments

Your payment is considered late if it is not received by the Payment Due Date. Late payments in excess of \$10.00 are subject to a late payment charge of 1.5% monthly (18% annually) or \$1.00, whichever is greater.

### Safety Reminders

- If you smell natural gas, leave the premise immediately and call our 24-Hour Emergency Service at **800-889-4970**.
- Call 811 at least 2 working days before you dig to have lines marked.

### Minnesota Public Utilities Commission

As a natural gas utility, Minnesota Energy Resources is regulated by the Minnesota Public Utilities Commission (MPUC). You can learn more about the MPUC at [www.puc.state.mn.us](http://www.puc.state.mn.us).

*Importante: Esta información se refiere a su servicio y tarifas.  
 Es posible que quiera una traducción.  
 Llame al 800-889-9508 para pedir una traducción. .*

## Explanation Of Billing Terms

### Usage

**BTU (British Thermal Unit)** – A factor that converts gas volumes into the heating value of the gas.

**CCF (100 Cubic Feet)** – The volume of gas measured by your meter.

**Therms** – A measurement of the heat energy in natural gas that is used to calculate your charges. For billing, it's the volume of natural gas in CCFs multiplied by the heat factor (BTU).

### Charges

**Affordability Surcharge** – A charge required by state law to fund the Gas Affordability Program, which provides assistance to low-income customers.

**Base Gas Cost** – The actual cost of the natural gas used.

**Conservation Cost Recovery** – A per-therm charge to recover costs of the Conservation Improvement Program, which encourages customers to make energy efficient improvements.

**Decoupling Adjustment** – Within limits, allows for the recovery of lost revenue due to declining sales and requires credits in the event of excess sales.

**Distribution Charge** – The charge for the safe and reliable delivery of gas to customers.

**Gas Supply Service** – The costs for providing natural gas to our customers. This includes Base Gas Cost and Purchased Gas Adjustment charges.

**Local Distribution Service** – The charge for the safe and reliable delivery of natural gas to customers. It includes a Monthly Customer Charge and Distribution Charge.

**Monthly Customer Charge** – A monthly charge that helps cover the costs of providing service to customers. This includes equipment, billing and programs.

**Purchased Gas Adjustment** – An adjustment or rate change due to the cost of purchasing natural gas for customers.

### Financial Assistance

**Energy Assistance Program (EAP)** – Provides heating assistance grants to eligible customers. For assistance, call 800-657-3710.

**Cold Weather Rule (CWR)** – Protects you from unlawful shut offs during the winter months when you enter into a payment agreement with us. For more information, call Minnesota Energy Resources at 800-889-9508.

**Gas Affordability Program (GAP)** – Additional energy assistance for recipients of the Low Income Energy Assistance Program.

**HeatShare** – A Salvation Army program that provides energy assistance to low-income families and individuals. Call 800-842-7279 to find the office that serves your area.

**Schedule C**  
Proposed Customer Notices



## Refund on interim rates

State law allowed Minnesota Energy Resources to collect an interim (temporary) rate increase while the MPUC considered our rate request. The interim increase of \$9.7 million or 3.62%, began on January 1, 2016. Since the final increase is less than the interim rate increase, Minnesota Energy Resources will refund any difference between these amounts with interest beginning in April 2017 bills. A typical residential customer's refund will be about \$X.XX.

If you move before a refund is issued and we cannot find you, your refund may be treated as abandoned property and sent to the Minnesota Department of Commerce, Unclaimed Property Unit. You can check for unclaimed property at [www.missingmoney.com](http://www.missingmoney.com). To make sure we can send you any refund owed, please provide a forwarding address when you stop service.

## Reasons for the increase

Minnesota Energy Resources requested this increase due to increased costs for operating expenses and/or conservation programs.

## How the rate change will affect monthly bills

The MPUC's October 31, 2016 Order will affect individual monthly bills differently depending on natural gas use and customer type. The customer charges and the distribution charges recover only the cost of providing distribution service to our customers. These rates do not include the wholesale cost of gas, which is passed on to you directly at our cost without adding any additional fees to the price. Your monthly bills will continue to vary due to changes in the wholesale cost of natural gas.

**Please see inside for an explanation of how the changes will impact your natural gas bill.**

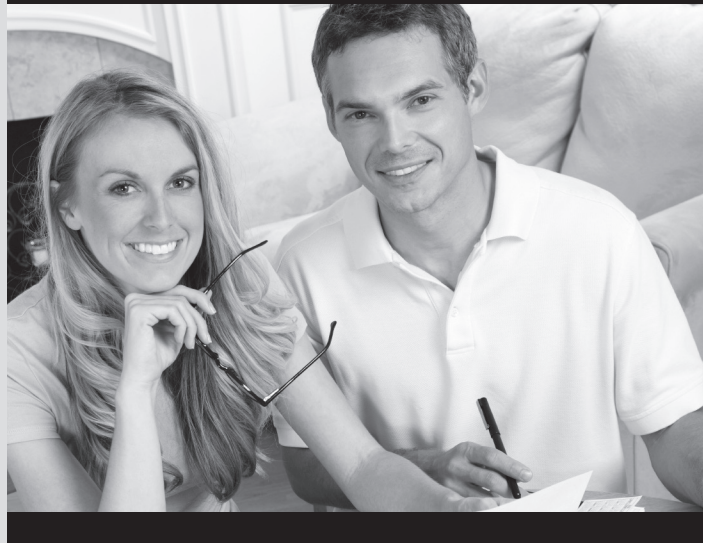
## For more information

If you would like more information, please visit us online at [minnesotaenergyresources.com](http://minnesotaenergyresources.com), visit your local Minnesota Energy Resources customer service office, or call **800-889-9508**.

IMPORTANT INFORMATION  
about your natural gas rates

## NEW NATURAL GAS RATES BEGIN WITH THIS BILL

For customers served by  
Northern Natural Gas Pipeline



## An explanation of changes to your natural gas rates

On September 30, 2015, Minnesota Energy Resources requested permission to increase its natural gas rates by approximately \$14.8 million, or about 5.5%.

On October 31, 2016, the Minnesota Public Utilities Commission (MPUC) approved new natural gas rates for Minnesota Energy Resources customers. Overall, rates will increase approximately \$6.8 million, or 3.0%, beginning February 1, 2017.

Under the MPUC's October 31, 2016 Order, the fixed customer charge for residential customers will remain constant at \$9.50 per month, and the distribution charge will increase from \$0.21806 to \$0.24116 per therm. These rates are effective on February 2017 bills. Although the net effect on customers will vary by rate classification, an average residential customer using 72 therms of natural gas per month will see a \$1.42 increase on their monthly bill, including changes to the gas component of the bill.

MERC-160XXX-12-LD-GB-XXX



## CHANGE IN AVERAGE MONTHLY BILLS

Customer class	Average monthly usage (therms)	Present monthly bill*	Proposed monthly bill
General service - residential sales	72	\$56	\$57
General service - small commercial and industrial sales	85	\$69	\$72
General service - large commercial and industrial sales	742	\$479	\$478
Small volume interruptible sales	4,964	\$2,210	\$2,252
Large volume interruptible sales	14,930	\$5,725	\$5,780
Small volume joint sales	4,508	\$2,099	\$2,153
Small volume interruptible transportation	13,186	\$1,394	\$1,564
Transport for resale	22,118	\$1,887	\$1,943
Small volume joint transportation	9,057	\$1,261	\$1,422
Large volume interruptible transportation - CIP applicable	71,735	\$3,561	\$4,123
Large volume interruptible transportation - CIP exempt	615,696	\$13,255	\$16,074
Large volume joint transportation - CIP applicable	44,358	\$2,865	\$3,326
Large volume joint transportation - CIP exempt	637,125	\$18,331	\$22,173
Super large volume interruptible transportation - CIP applicable	1,515,614	\$6,589	\$7,008
Super large volume interruptible transportation - CIP exempt	25,462	\$1,190	\$1,289
Super large volume joint transportation	941,379	\$14,991	\$15,265

\*the present rate levels identified represent the rates authorized in Docket nos. G011/GR-13-617

## APPROVED NEW CHANGES FOR MONTHLY CUSTOMER CHARGE AND THE PER THERM GAS DISTRIBUTION CHARGE

This chart shows the current and approved customer charge and distribution charge for each customer class.

Customer class	Current customer charge*	Approved customer charge*	Current distribution charge**	Approved distribution charge**
General service - residential sales	\$9.50	\$9.50	0.21806	0.24116
General service - small commercial and industrial sales	\$18.00	\$18.00	0.18116	0.22065
General service - large commercial and industrial sales	\$45.00	\$45.00	0.16579	0.16885
Small volume interruptible sales	\$165.00	\$165.00	0.08490	0.09740
Large volume interruptible sales	\$185.00	\$185.00	0.04553	0.05329
Small volume joint sales	\$165.00	\$165.00	0.08490	0.09740
Small volume interruptible transportation	\$275.00	\$280.00	0.08490	0.09740
Large volume interruptible transportation - CIP applicable	\$295.00	\$300.00	0.04553	0.05329
Large volume interruptible transportation - CIP exempt	\$295.00	\$300.00	0.02105	0.02562
Small volume joint transportation	\$275.00	\$280.00	0.08490	0.09740
Large volume joint transportation - CIP applicable	\$295.00	\$300.00	0.04553	0.04553
Large volume joint transportation - CIP exempt	\$295.00	\$300.00	0.04553	0.02562
Super large volume interruptible transportation - CIP exempt	\$460.00	\$470.00	0.00420	0.00448
Super large volume interruptible transportation - CIP applicable	\$460.00	\$470.00	0.02868	0.03215
Super large volume joint transportation - CIP exempt	\$460.00	\$470.00	0.00420	0.00448
Transport for resale	\$295.00	\$300.00	0.07200	0.07428

\*per month

\*\*per therm

## Refund on interim rates

State law allowed Minnesota Energy Resources to collect an interim (temporary) rate increase while the MPUC considered our rate request. The interim increase of \$9.7 million or 3.62%, began on January 1, 2016. Since the final increase is less than the interim rate increase, Minnesota Energy Resources will refund any difference between these amounts with interest beginning in April 2017 bills. A typical residential customer's refund will be about \$X.XX.

If you move before a refund is issued and we cannot find you, your refund may be treated as abandoned property and sent to the Minnesota Department of Commerce, Unclaimed Property Unit. You can check for unclaimed property at [www.missingmoney.com](http://www.missingmoney.com). To make sure we can send you any refund owed, please provide a forwarding address when you stop service.

## Reasons for the increase

Minnesota Energy Resources requested this increase due to increased costs for operating expenses and/or conservation programs.

## How the rate change will affect monthly bills

The MPUC's October 31, 2016 Order will affect individual monthly bills differently depending on natural gas use and customer type. The customer charges and the distribution charges recover only the cost of providing distribution service to our customers. These rates do not include the wholesale cost of gas, which is passed on to you directly at our cost without adding any additional fees to the price. Your monthly bills will continue to vary due to changes in the wholesale cost of natural gas.

## Please see inside for an explanation of how the changes will impact your natural gas bill.

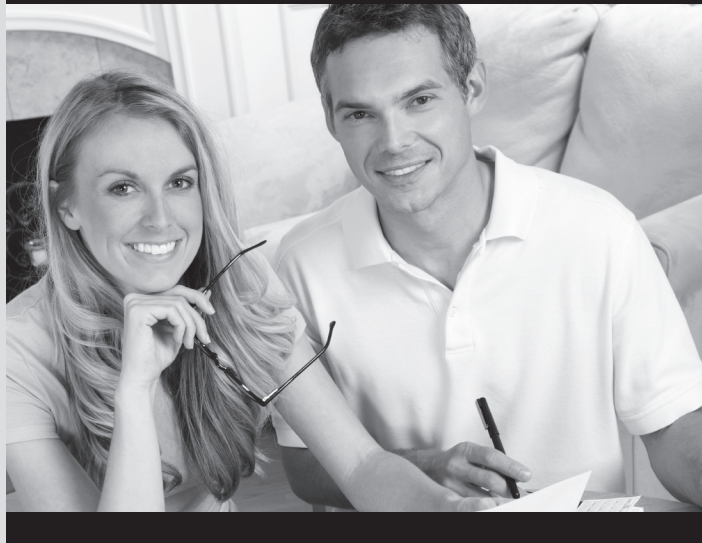
## For more information

If you would like more information, please visit us online at [minnesotaenergyresources.com](http://minnesotaenergyresources.com), visit your local Minnesota Energy Resources customer service office, or call **800-889-9508**.

## IMPORTANT INFORMATION about your natural gas rates

# NEW NATURAL GAS RATES BEGIN WITH THIS BILL

For customers served by the  
Centra, Great Lakes, and Viking Pipelines



## An explanation of changes to your natural gas rates

On September 30, 2015, Minnesota Energy Resources requested permission to increase its natural gas rates by approximately \$14.8 million, or about 5.5%.

On October 31, 2016, the Minnesota Public Utilities Commission (MPUC) approved new natural gas rates for Minnesota Energy Resources customers. Overall, rates will increase approximately \$6.8 million, or 3.0%, beginning February 1, 2017.

Under the MPUC's October 28, 2014 Order, the fixed customer charge for residential customers will remain constant at \$9.50 per month, and the distribution charge will increase from \$0.21806 to \$0.24116 per therm. These rates are effective on February 2017 bills. Although the net effect on customers will vary by rate classification, an average residential customer using 71 therms of natural gas per month will see a \$1.65 increase on their monthly bill, including changes to the gas component of the bill.

MERC-160XXX-12-LD-GB-XXX



## CHANGE IN AVERAGE MONTHLY BILLS

Customer class	Average monthly usage (therms)	Present monthly bill*	Proposed monthly bill
General service - residential sales	71	\$50	\$52
General service - small commercial and industrial sales	89	\$65	\$68
General service - large commercial and industrial sales	700	\$405	\$407
Small volume interruptible sales	2,865	\$1,175	\$1,210
Large volume interruptible sales	32,632	\$10,606	\$10,864
Small volume joint sales	4,528	\$1,902	\$1,982
Small volume interruptible transportation	9,611	\$1,052	\$1,173
Small volume joint transportation	5,723	\$940	\$1,053
Large volume interruptible transportation	91,847	\$4,514	\$5,238
Large volume joint transportation	43,700	\$2,873	\$3,334
Super large volume interruptible transportation	382,450	\$4,535	\$4,633

\*the present rate levels identified represent the rates authorized in Docket Nos. G011/GR-13-617

## APPROVED NEW CHANGES FOR MONTHLY CUSTOMER CHARGE AND THE PER THERM GAS DISTRIBUTION CHARGE

This chart shows the current and approved customer charge and distribution charge for each customer class.

Customer class	Current customer charge*	Approved customer charge*	Current distribution charge**	Approved distribution charge**
General service - residential sales	\$9.50	\$9.50	0.21806	0.24116
General service - small commercial and industrial sales	\$18.00	\$18.00	0.18116	0.22065
General service - large commercial and industrial sales	\$45.00	\$45.00	0.16579	0.16885
Small volume interruptible sales	\$165.00	\$165.00	0.08490	0.09740
Large volume interruptible sales	\$185.00	\$185.00	0.04553	0.05329
Small volume joint sales	\$165.00	\$165.00	0.08490	0.09740
Small volume interruptible transportation	\$275.00	\$280.00	0.08490	0.09740
Large volume interruptible transportation - CIP applicable	\$295.00	\$300.00	0.04553	0.05329
Small volume joint transportation	\$275.00	\$280.00	0.08490	0.09740
Large volume joint transportation	\$295.00	\$300.00	0.04553	0.05329
Super large volume interruptible transportation - CIP exempt	\$460.00	\$470.00	0.00850	0.00873
Super large volume interruptible transportation - CIP applicable	\$460.00	\$470.00	0.03298	0.03640

\*per month

\*\*per therm

## Refund on interim rates

State law allowed Minnesota Energy Resources to collect an interim (temporary) rate increase while the MPUC considered our rate request. The interim increase of \$9.7 million or 3.62%, began on January 1, 2016. Since the final increase is less than the interim rate increase, Minnesota Energy Resources will refund any difference between these amounts with interest beginning in April 2017 bills. A typical residential customer's refund will be about \$X.XX.

If you move before a refund is issued and we cannot find you, your refund may be treated as abandoned property and sent to the Minnesota Department of Commerce, Unclaimed Property Unit. You can check for unclaimed property at [www.missingmoney.com](http://www.missingmoney.com). To make sure we can send you any refund owed, please provide a forwarding address when you stop service.

## Reasons for the increase

Minnesota Energy Resources requested this increase due to increased costs for operating expenses and/or conservation programs.

## How the rate change will affect monthly bills

The MPUC's October 31, 2016 Order will affect individual monthly bills differently depending on natural gas use and customer type. The customer charges and the distribution charges recover only the cost of providing distribution service to our customers. These rates do not include the wholesale cost of gas, which is passed on to you directly at our cost without adding any additional fees to the price. Your monthly bills will continue to vary due to changes in the wholesale cost of natural gas.

## Please see inside for an explanation of how the changes will impact your natural gas bill.

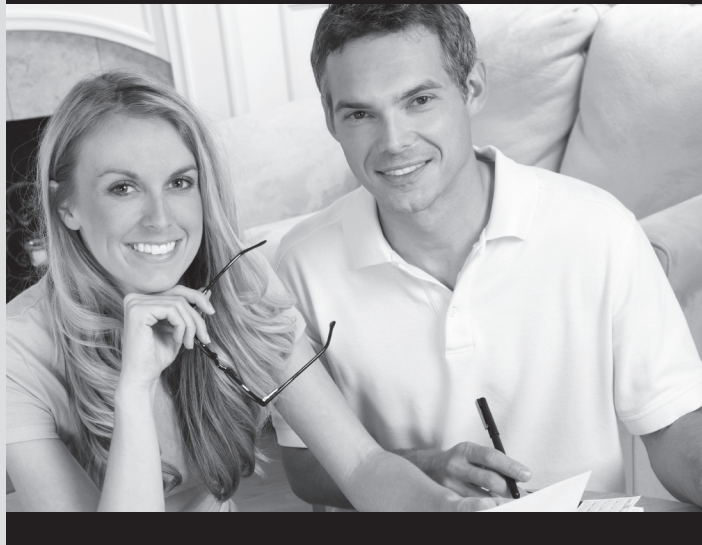
## For more information

If you would like more information, please visit us online at [minnesotaenergyresources.com](http://minnesotaenergyresources.com), visit your local Minnesota Energy Resources customer service office, or call **800-889-9508**.

## IMPORTANT INFORMATION about your natural gas rates

# NEW NATURAL GAS RATES BEGIN WITH THIS BILL

For customers served by Albert Lea PGA



## An explanation of changes to your natural gas rates

On September 30, 2015, Minnesota Energy Resources requested permission to increase its natural gas rates by approximately \$14.8 million, or about 5.5%.

On October 31, 2016, the Minnesota Public Utilities Commission (MPUC) approved new natural gas rates for Minnesota Energy Resources customers. Overall, rates will increase approximately \$6.8 million, or 3.0%, beginning February 1, 2017.

Under the MPUC's October 31, 2016 Order, the fixed customer charge for residential customers will increase from \$5.00 to \$7.25 per month, and the distribution charge will increase from \$0.21806 to \$0.24116 per therm. These rates are effective on February 2017 bills. Although the net effect on customers will vary by rate classification, an average residential customer using 74 therms of natural gas per month will see a \$7.81 on their monthly bill, including changes to the gas component of the bill.

MERC-160XXX-12-LD-GB-XXX



## CHANGE IN AVERAGE MONTHLY BILLS

Customer class	Average monthly usage (therms)	Present monthly bill*	Proposed monthly bill
General service - residential sales	74	\$48	\$56
General service - small commercial and industrial sales	64	\$40	\$52
General service - large commercial and industrial sales	521	\$281	\$329
Small volume interruptible sales	4,479	\$1,561	\$1,975
Large volume interruptible sales	16,398	\$5,020	\$6,263
Small volume interruptible transportation	3,068	\$470	\$579
Large volume interruptible transportation	79,159	\$3,814	\$4,518

\*the present rate levels identified represent the rates authorized in Docket Nos. G011/GR-13-617

## APPROVED NEW CHANGES FOR MONTHLY CUSTOMER CHARGE AND THE PER THERM GAS DISTRIBUTION CHARGE

This chart shows the current and approved customer charge and distribution charge for each customer class.

Customer class	Current customer charge*	Approved customer charge*	Current distribution charge**	Approved distribution charge**
General service - residential sales	\$5.00	\$7.25	0.21806	0.24116
General service - small commercial and industrial sales	\$5.00	\$11.50	0.18116	0.22065
General service - large commercial and industrial sales	\$5.00	\$25.00	0.16579	0.16885
Small volume interruptible sales	\$14.00	\$89.50	0.08490	0.09740
Large volume interruptible sales	\$14.00	\$99.50	0.04553	0.05329
Small volume interruptible transportation	\$210.00	\$280.00	0.08490	0.09740
Large volume interruptible transportation	\$210.00	\$300.00	0.04553	0.05329

\*per month

\*\*per therm

**Schedule D**  
Base Cost of Gas

**MERC Base Cost of Gas**  
**Proposed v. Current Base rates**

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**PROPOSED BASE RATES COMPARISON TO CURRENT EFFECTIVE BASE RATES**  
(Using 03-15-16 NYMEX gas pricing and MERC Sales Forecast (Fcst201503 Rate Case Test Year 2016))

	Gas Cost \$/therm	Firm Demand Cost \$/therm	Firm Commodity Base Rate			Interruptible Commodity Base Rate		
			Current Effective* \$/therm	03-15-16 NYMEX \$/therm	% Change	Current Effective* \$/therm	03-15-16 NYMEX \$/therm	% Change
MERC-NNG	\$ 0.32661	\$ 0.09226	\$ 0.52443	\$ 0.41887	-20.1%	\$ 0.43217	\$ 0.32661	-24.43%
MERC-Consolidated	\$ 0.26791	\$ 0.07996	\$ 0.46517	\$ 0.34787	-25.2%	\$ 0.38521	\$ 0.26791	-30.45%
MERC- AL	\$ 0.25975	\$ 0.10379	\$ 0.46547	\$ 0.36354	-21.9%	\$ 0.36168	\$ 0.25975	-28.18%
MERC-NNG&AL	\$ 0.32257	\$ 0.09288	N/A	\$ 0.41545	N/A	N/A	\$ 0.32257	N/A

	Gas Cost \$/therm	Joint Demand Cost \$/therm/MDQ	Joint Commodity Base Rate			Joint Demand Base Rate		
			Current Effective* \$/therm	03-15-16 NYMEX \$/therm	% Change	Current Effective* \$/therm/MDQ	03-15-16 NYMEX \$/therm/MDQ	% Change
MERC-NNG	\$ 0.32661	\$ 1.01722	\$ 0.43217	\$ 0.32661	-24.43%	\$ 1.01722	\$ 1.01722	0.00%
MERC-Consolidated	\$ 0.26791	\$ 0.68867	\$ 0.38521	\$ 0.26791	-30.45%	\$ 0.68867	\$ 0.68867	0.00%
MERC- AL	\$ 0.25975	\$ 0.97361	\$ 0.36168	\$ 0.25975	-28.18%	\$ 0.97361	\$ 0.97361	0.00%
MERC-NNG&AL	\$ 0.32257	\$ 1.01448	N/A	\$ 0.32257	N/A	N/A	\$ 1.01448	N/A

\*Effective 1-1-16 based on 5-15-15 NYMEX as submitted in Docket No. G011/MR-15-748



**MERC Base Cost of Gas**  
**Joint Demand Base Rate**

**MINNESOTA ENERGY RESOURCES CORPORATION**  
**Demand Costs Assigned in Joint Rate**

<b>MERC-CON DEMAND COSTS ASSIGNED TO JOINT RATES</b>			
	Units		Annual
	Dth's	Months	Dth's
<b>Viking (VGT)</b>			
FT-A ZONE 1 - 1	12,493	12	149,916
FT-A ZONE 1 - 1	1,098	3	3,294
FT-A ZONE 1 - 1	2,000	12	24,000
FA-A ZONE 1 - 1	0	5	0
<b>Great Lakes (GLGT)</b>			
FT Western Zone	10,130	12	121,560
FT Western Zone (12)	3,600	12	43,200
FT Western Zone (5)	3,728	5	18,640
FT Western Zone	9,000	12	108,000
<b>Centra</b>			
Annual	9,100	12	109,200
<b>Total Demand Weighted Volume in Dth's</b>			<b>577,810</b>
<b>Total Demand Weighted Volume in Therms</b>			<b>5,778,100</b>
<b>Total Demand Cost</b>			<b>\$ 3,979,230</b>
<b>Total Joint Demand Rate \$/therm</b>			<b>\$ 0.68867</b>

<b>MERC-NNG DEMAND COSTS ASSIGNED TO JOINT RATES</b>			
	Units		Annual
	Dth's	Months	Dth's
<b>NNG</b>			
TF12B (Max Rate) Winter	49,819	5	249,095
TF12B (Max Rate) Summer	49,056	7	343,392
TF12V (Max Rate)	21,060	12	252,720
TF5 (Max Rate)	31,515	5	157,575
TF12B (Discount-Winter)	5,200	12	62,400
TFX5 (Discount)	0	5	0
TFX12 (Max Rate)	10,822	12	129,864
TFX Apr (Max Rate)	2,000	1	2,000
TFX Oct (Max Rate)	2,000	1	2,000
TFX5 (Max Rate)	66,271	5	331,355
TFX5 (Discount)	1,800	5	9,000
TFX12 (Discount)	1,283	12	15,396
TFX12 (Discount)	8,271	12	99,252
TFX12 (Discount)	11,921	12	143,052
TFX5 (Discount)	379	5	1,895
TFX5 (Discount)	2,445	5	12,225
TFX5 (Discount)	22,189	5	110,945
TFX5 (Max Rate)	15,617	5	78,085
Windom	2,500	12	30,000
Northwestern-Ortonville	910	12	10,920
<b>Total Demand Weighted Volume in Dth's</b>			<b>2,041,171</b>
<b>Total Demand Weighted Volume in Therms</b>			<b>20,411,710</b>
<b>Total Demand Cost</b>			<b>\$ 20,763,147</b>
<b>Total Joint Demand Rate \$/therm</b>			<b>\$ 1.01722</b>

<b>MERC-AL DEMAND COSTS ASSIGNED TO JOINT RATES</b>			
	Units		Annual
	Dth's	Months	Dth's
<b>NNG</b>			
TF-12B (Max Rate) - Winter	3,157	5	15,785
TF-12B (Max Rate) - Summer	9,393	7	65,751
TF-12V (Max Rate)	6,236	5	31,180
TF-5 (Max Rate)	3,997	5	19,985
TFX-5 (Max Rate)	800	5	4,000
<b>Total Demand Weighted Volume in Dth's</b>			<b>136,701</b>
<b>Total Demand Weighted Volume in Therms</b>			<b>1,367,010</b>
<b>Total Demand Cost</b>			<b>\$ 1,330,930</b>
<b>Total Joint Demand Rate \$/therm</b>			<b>\$ 0.97361</b>

<b>MERC-NNG&amp;AL DEMAND COSTS ASSIGNED TO JOINT RATES</b>			
<b>Total Demand Weighted Volume in Dth's</b>			<b>2,177,872</b>
<b>Total Demand Weighted Volume in Therms</b>			<b>21,778,720</b>
<b>Total Demand Cost</b>			<b>\$ 22,094,077</b>
<b>Total Joint Demand Rate \$/therm</b>			<b>\$ 1.01448</b>

**MERC Base Cost of Gas  
Sales Forecast Summary**

**FORECASTED SALES (Fcst201503 Rate Case Test Year 2016)**

	Forecasted Sales
	Therms
<b>MERC-NNG</b>	
General Service (GS)	225,057,235
Interruptible	28,132,238
Joint	162,272
Losses & Unacc	1,266,759
Company Use	67,652
<b>TOTAL</b>	<b>254,686,156</b>
<b>MERC-Consolidated</b>	
General Service (GS)	49,765,067
Interruptible	6,818,164
Joint	276,182
Losses & Unacc	284,297
Company Use	112,140
<b>TOTAL</b>	<b>57,255,850</b>
<b>MERC-AL</b>	
General Service (GS)	12,822,861
Interruptible	3,478,315
Joint	0
Losses & Unacc	81,506
Company Use	0
<b>TOTAL</b>	<b>16,382,682</b>
<b>MERC-Total</b>	
General Service (GS)	287,645,163
Interruptible	38,428,717
Joint	438,454
Losses & Unacc	1,632,562
Company Use	179,792
<b>TOTAL</b>	<b>328,324,688</b>
<b>MERC-NNG &amp; AL</b>	
General Service (GS)	237,880,096
Interruptible	31,610,553
Joint	162,272
Losses & Unacc	1,348,265
Company Use	67,652
<b>TOTAL</b>	<b>271,068,838</b>

MERC Base Cost of Gas  
Demand Costs by Contract

Included in gas cost section as "Demand Charges"

PGA	NNG										
Contract #	111866	112486	112495	112561	118657	112521	125915/ 125916	NW Energy	Bison	NBPL	Total NNG
Date											
May-15	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Jun-15	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 862,500	\$ 345,000	\$ 574,757
Jul-15	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Aug-15	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Sep-15	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 862,500	\$ 345,000	\$ 574,757
Oct-15	\$ 77,955	\$ 72,867	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 586,123
Nov-15	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 862,500	\$ 345,000	\$ 3,344,672
Dec-15	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 3,344,672
Jan-16	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 3,344,672
Feb-16	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 833,750	\$ 333,500	\$ 3,344,672
Mar-16	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 3,344,672
Apr-16	\$ 77,955	\$ 72,867	\$ 428,021	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 862,500	\$ 345,000	\$ 586,123
May-16	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Jun-16	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 862,500	\$ 345,000	\$ 574,757
Jul-16	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Aug-16	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Sep-16	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 862,500	\$ 345,000	\$ 574,757
Oct-16	\$ 77,955	\$ 72,867	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 586,123
Nov-16	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 862,500	\$ 345,000	\$ 3,344,672
Dec-16	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 3,344,672
Jan-17	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 3,344,672
Feb-17	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 805,000	\$ 333,500	\$ 3,344,672
Mar-17	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 3,344,672
Apr-17	\$ 77,955	\$ 72,867	\$ 428,021	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 862,500	\$ 345,000	\$ 586,123
May-17	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Jun-17	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 862,500	\$ 345,000	\$ 574,757
Jul-17	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Aug-17	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 574,757
Sep-17	\$ 77,955	\$ 61,501	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 862,500	\$ 345,000	\$ 574,757
Oct-17	\$ 77,955	\$ 72,867	\$ 428,021	\$ -	\$ 502,148	\$ 49,442	\$ 80,855	\$ 7,280	\$ 891,250	\$ 356,500	\$ 586,123
Nov-17	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 862,500	\$ 345,000	\$ 3,344,672
Dec-17	\$ 583,120	\$ 1,422,892	\$ 1,331,380	\$ -	\$ 147,701	\$ 49,442	\$ 23,783	\$ 7,280	\$ 891,250	\$ 356,500	\$ 3,344,672
	<b>\$ 8,556,531</b>	<b>\$ 18,361,565</b>	<b>\$ 24,536,971</b>	<b>\$ -</b>	<b>\$ 10,043,140</b>	<b>\$ 1,582,157</b>	<b>\$ 1,617,151</b>	<b>\$ 232,960</b>	<b>\$ 28,060,000</b>	<b>\$ 11,235,500</b>	<b>\$ 51,688,027</b>

MERC Base Cost of Gas  
Demand Costs by Contract

MERC Base Cost of Gas  
Demand Costs by Contract

Included in gas cost section as "Demand Charges" \$ -

Included in gas cost section as "Demand Charges" \$ -

PGA	Consolidated														MERC Albert Lea (AL)					TOTAL MERC		
	Contract #	GLGT FT0016	GLGT FT15782	GLGT FT17891 (12)	GLGT FT17891 (5)	Centra CTH1201	Centra CPM1201	Centra HUB495001 Union	VGT AF0012	VGT AF0209	VGT AF0102	VGT AF0183	VGT ML0021	AECO	AECO Swap	Total Cons	106082	129170	22560		22335	Total MAL
Date																						
May-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ -	\$ -	\$ 225,383	\$ -	\$ 128,849	\$ 3,706	\$ 10,406	\$ 128,849	\$ 914,877
Jun-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Jul-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Aug-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Sep-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Oct-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 901,273
Nov-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ 27,859	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ 49,468	\$ -	\$ 253,241	\$ 12,122	\$ 176,770	\$ 3,706	\$ 10,406	\$ 188,892	\$ 3,772,695
Dec-15	\$ 38,990	\$ 34,641	\$ 13,856	\$ 27,859	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ 3,731	\$ 6,796	\$ -	\$ 7,465	\$ 65,000	\$ 132,962	\$ -	\$ 256,972	\$ 12,122	\$ 176,770	\$ 3,706	\$ 10,406	\$ 188,892	\$ 3,776,425
Jan-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ 14,349	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ 4,799	\$ 9,121	\$ -	\$ 7,465	\$ 65,000	\$ 132,962	\$ -	\$ 344,319	\$ 12,122	\$ 179,331	\$ 3,706	\$ 10,406	\$ 191,453	\$ 3,866,333
Feb-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ 14,349	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ 4,799	\$ 9,121	\$ -	\$ 7,465	\$ 65,000	\$ 120,095	\$ -	\$ 344,319	\$ 12,122	\$ 179,331	\$ 3,706	\$ 10,406	\$ 191,453	\$ 3,866,333
Mar-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ 14,349	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ 55,882	\$ -	\$ 339,520	\$ 12,122	\$ 179,331	\$ 3,706	\$ 10,406	\$ 191,453	\$ 3,861,534
Apr-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ 54,079	\$ -	\$ 325,171	\$ -	\$ 53,380	\$ 3,706	\$ 10,406	\$ 53,380	\$ 950,563
May-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 325,171	\$ -	\$ 53,380	\$ 3,706	\$ 10,406	\$ 53,380	\$ 939,197
Jun-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 325,171	\$ -	\$ 53,380	\$ 3,706	\$ 35,375	\$ 53,380	\$ 914,228
Jul-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 325,171	\$ -	\$ 53,380	\$ 3,706	\$ 35,375	\$ 53,380	\$ 914,228
Aug-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 325,171	\$ -	\$ 53,380	\$ 3,706	\$ 35,375	\$ 53,380	\$ 914,228
Sep-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 325,171	\$ -	\$ 53,380	\$ 3,706	\$ 35,375	\$ 53,380	\$ 914,228
Oct-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 325,171	\$ -	\$ 53,380	\$ 3,706	\$ 35,375	\$ 53,380	\$ 925,594
Nov-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ 14,349	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ -	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ 49,468	\$ -	\$ 339,520	\$ 12,122	\$ 179,331	\$ 3,706	\$ 10,406	\$ 191,453	\$ 3,861,534
Dec-16	\$ 38,990	\$ 34,641	\$ 13,856	\$ 14,349	\$ 143,939	\$ 30,021	\$ 4,500	\$ 54,602	\$ 4,799	\$ 9,121	\$ -	\$ 7,465	\$ 49,167	\$ 132,962	\$ -	\$ 344,319	\$ 12,122	\$ 179,331	\$ 3,706	\$ 10,406	\$ 191,453	\$ 3,866,333
Jan-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ 27,859	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ 3,731	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ 132,962	\$ -	\$ 256,972	\$ 12,122	\$ 176,770	\$ 3,706	\$ 10,406	\$ 188,892	\$ 3,776,425
Feb-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ 27,859	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ 3,731	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ 120,095	\$ -	\$ 256,972	\$ 12,122	\$ 176,770	\$ 3,706	\$ 10,406	\$ 188,892	\$ 3,776,425
Mar-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ 27,859	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ 55,882	\$ -	\$ 253,241	\$ 12,122	\$ 176,770	\$ 3,706	\$ 10,406	\$ 188,892	\$ 3,772,694
Apr-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ 54,079	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 10,406	\$ 128,849	\$ 926,242
May-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 10,406	\$ 128,849	\$ 914,876
Jun-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Jul-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Aug-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Sep-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 889,907
Oct-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ -	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ -	\$ -	\$ 225,382	\$ -	\$ 128,849	\$ 3,706	\$ 35,375	\$ 128,849	\$ 901,273
Nov-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ 27,859	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ -	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ 49,468	\$ -	\$ 253,241	\$ 12,122	\$ 176,770	\$ 3,706	\$ 10,406	\$ 188,892	\$ 3,772,694
Dec-17	\$ 38,990	\$ 34,641	\$ 13,856	\$ 27,859	\$ 71,760	\$ 16,891	\$ 4,500	\$ 42,448	\$ 3,731	\$ 6,796	\$ -	\$ 7,465	\$ 49,167	\$ 132,962	\$ -	\$ 256,972	\$ 12,122	\$ 176,770	\$ 3,706	\$ 10,406	\$ 188,892	\$ 3,776,425
	\$ 1,247,692	\$ 1,108,512	\$ 443,405	\$ 266,759	\$ 3,162,469	\$ 698,071	\$ 144,000	\$ 1,504,187	\$ 29,320	\$ 245,367	\$ -	\$ 238,880	\$ 1,731,667	\$ 1,273,327	\$ -	\$ 8,705,782	\$ 145,469	\$ 4,182,747	\$ 118,592	\$ 707,516	\$ 4,328,216	\$ 63,895,916

**MERC Base Cost of Gas  
Other Gas Supply Inputs**

Hedge Premium Cost							
	November	December	January	February	March		Total
<b>NNG</b>	\$ 146,000	\$ 292,500	\$ 393,000	\$ 423,500	\$ 412,000	\$	1,667,000
<b>Consol</b>	\$ 34,000	\$ 65,000	\$ 93,000	\$ 94,500	\$ 92,000	\$	378,500
<b>AL</b>	\$ 12,000	\$ 20,000	\$ 27,000	\$ 28,000	\$ 28,000	\$	115,000

Fuel Information			
<b>NNG</b>			
Storage Fuel %	1.06%		
Transport Fuel %	0.53%	Summer	
Transport Fuel %	1.14%	Winter	
<b>GLGT</b>			
Storage Fuel %	0.00%		
Transport Fuel %	0.56%	12 Mo Ave	
<b>VGT</b>			
Storage Fuel %	0.00%		
Transport Fuel %	0.00%	Summer	
Transport Fuel %	0.50%	Winter	
<b>AECO</b>			
Storage Fuel %	0.75%		
Centra Fuel %	0.1220%	12 months	

Accounting 4/30/15	
Beginning Storage Dollars	
<b>NNG</b>	\$3,690,058.28
<b>Consol</b>	\$414,452.63
<b>AL</b>	
<b>Total</b>	\$4,104,510.91

Base Cost of Gas - from Tariff (DTH)		
Accounting		
<b>NNG</b>		
General Service		\$6.09750
Interruptible		\$4.34070
Joint		\$4.34070
<b>Consol</b>		
General Service		\$5.24400
Interruptible		\$4.43630
Joint		\$4.43630
<b>AL</b>		
General Service		\$3.04640
Interruptible		\$1.91010
Joint		\$1.91010

Accounting 4/30/15	
232130 Beginning Balance	
<b>NNG</b>	(\$6,123,562.44)

MERC Base Cost of Gas  
MERC Sales Forecast from the SUMG file

	Calendar Sales - in Therms															
	NNG				CONSOLIDATED									NNGAL		
	GS	Interruptible	Joint	Total NNG	GLGT GS	GLGT Int	GLGT Joint	VGT GS	VGT Int	VGT Joint	Centra GS	Centra Int	Centra Joint	Total Consolidated	GS	Interruptible
May-15	2,508,109	1,941,867	5,996	4,455,972	407,989	29,770	7,978	178,048	34,824	587	127,917	183,089	970,202	450,417	233,614	684,031
Jun-15	1,987,908	1,688,215	4,348	3,680,471	386,950	18,331	4,830	151,449	18,665	309	105,576	113,383	799,493	117,843	175,320	293,163
Jul-15	2,168,828	1,679,183	5,185	3,853,196	352,799	25,743	6,899	153,963	30,113	508	110,613	158,322	838,960	43,316	143,196	186,512
Aug-15	2,073,327	1,760,756	4,535	3,838,618	403,577	19,119	5,038	157,957	19,467	322	110,113	118,255	833,848	54,562	139,711	194,273
Sep-15	5,474,968	1,641,941	5,842	7,122,751	850,752	19,605	5,712	378,153	37,694	1,986	234,695	136,289	1,664,886	293,048	155,023	448,071
Oct-15	14,117,887	1,867,061	9,689	15,994,637	1,727,436	20,448	13,324	916,137	80,035	1,261	596,766	79,790	3,435,197	865,211	213,137	1,078,348
Nov-15	24,415,077	2,276,590	14,730	26,706,397	3,008,265	85,179	17,096	1,501,388	110,403	6,635	820,245	235,443	5,784,654	1,522,236	291,626	1,813,862
Dec-15	37,499,132	2,931,595	20,569	40,451,296	4,460,667	199,966	20,320	2,083,964	266,948	14,123	1,288,261	423,575	8,757,824	2,234,898	412,452	2,647,350
Jan-16	42,423,451	2,710,035	24,053	45,157,539	4,897,038	236,881	24,127	2,503,188	379,438	17,776	1,579,817	514,875	10,153,140	2,483,483	479,799	2,963,282
Feb-16	36,850,840	2,288,132	22,983	39,161,955	4,240,392	245,521	23,365	2,315,138	385,894	17,886	1,246,665	494,996	8,969,857	2,105,004	477,236	2,582,240
Mar-16	29,940,455	2,292,842	20,639	32,253,936	3,436,829	217,831	22,647	1,881,163	392,797	15,398	1,096,766	444,352	7,507,783	1,686,730	425,388	2,112,118
Apr-16	17,865,367	2,297,528	15,384	20,178,279	2,199,738	117,502	18,602	1,185,395	220,819	10,587	674,783	289,276	4,716,702	959,684	329,431	1,289,115
May-16	9,111,931	2,302,273	10,732	11,424,936	1,269,636	79,342	13,526	643,631	152,919	6,893	397,146	295,669	2,858,762	450,417	233,614	684,031
Jun-16	3,076,348	2,307,355	6,997	5,390,700	555,773	60,534	8,556	242,280	104,859	3,514	169,852	229,267	1,374,635	117,843	175,320	293,163
Jul-16	1,403,130	2,312,494	5,342	3,720,966	346,183	23,596	6,917	149,560	27,598	510	108,591	145,106	808,061	43,336	143,226	186,562
Aug-16	1,326,960	2,317,478	4,688	3,649,126	398,277	20,924	5,047	153,915	21,303	322	108,876	129,421	838,085	54,631	139,728	194,359
Sep-16	5,133,658	2,321,060	5,995	7,460,713	854,443	18,097	5,715	380,337	34,794	1,988	235,825	125,803	1,657,002	293,419	155,108	448,527
Oct-16	14,513,123	2,324,435	9,842	16,847,400	1,740,376	15,424	13,329	928,159	60,367	1,261	601,472	60,182	3,420,570	866,317	213,476	1,079,793
Nov-16	25,568,832	2,327,765	14,886	27,911,483	3,030,875	85,879	17,106	1,517,108	111,310	6,639	826,222	237,376	5,832,515	1,524,199	292,315	1,816,514
Dec-16	37,843,140	2,330,841	20,731	40,194,712	4,471,933	188,227	20,337	2,085,848	251,276	14,134	1,291,837	398,709	8,722,301	2,237,798	413,674	2,651,472
Jan-17	42,800,275	2,333,924	24,223	45,158,422	4,910,717	223,702	24,155	2,507,312	358,328	17,796	1,584,360	486,228	10,112,598	2,486,715	478,287	2,965,002
Feb-17	36,264,380	2,336,862	22,761	38,624,003	4,146,856	241,491	22,958	2,263,264	379,561	17,576	1,219,262	486,870	8,777,838	2,052,314	475,735	2,528,049
Mar-17	30,193,986	2,339,827	20,767	32,554,580	3,450,945	205,908	22,615	1,888,340	371,296	15,375	1,101,442	420,030	7,475,951	1,688,930	424,114	2,113,044
Apr-17	18,009,260	2,342,896	15,514	20,367,670	2,208,902	102,938	18,565	1,189,871	193,449	10,564	677,664	253,423	4,655,376	960,932	328,579	1,289,511
May-17	9,178,570	2,346,026	10,866	11,535,462	1,274,681	77,098	13,493	646,000	148,593	6,876	398,761	287,302	2,852,804	450,993	233,185	684,178
Jun-17	3,092,167	2,349,511	7,138	5,448,816	557,537	62,253	8,533	242,893	107,837	3,503	170,370	235,778	1,388,704	117,975	175,148	293,123
Jul-17	1,407,304	2,353,055	5,489	3,765,848	346,755	24,040	6,899	149,778	28,120	508	108,771	147,843	812,714	43,368	143,196	186,564
Aug-17	1,332,685	2,356,375	4,838	3,693,898	399,231	23,761	5,038	154,142	24,190	322	109,127	146,962	862,773	54,677	139,711	194,388
Sep-17	5,176,202	2,358,088	6,146	7,540,436	858,158	18,661	5,712	381,637	35,878	1,986	236,942	129,721	1,668,695	293,795	155,023	448,818
Oct-17	14,644,812	2,359,553	9,992	17,014,357	1,748,193	13,307	13,323	932,288	52,079	1,261	604,576	51,920	3,416,947	867,485	213,137	1,080,622
Nov-17	25,803,854	2,361,061	15,033	28,179,948	3,044,757	87,617	17,096	1,523,357	113,563	6,635	830,249	242,180	5,865,454	1,526,288	291,626	1,817,914
Dec-17	38,192,234	2,362,843	20,872	40,575,949	4,491,599	183,045	20,320	2,094,387	244,359	14,123	1,298,035	387,733	8,733,601	2,240,889	412,452	2,653,341

MERC Base Cost of Gas  
MERC Sales Forecast from the SUMG file

Loss = 0.5%

Company Use (therms)					Gas Loss (therms)					
NNG	GLGT Cons	VGT Cons	Centra Cons	NNGAL	NNG	GLGT Cons	VGT Cons	Centra Cons	NNGAL	
3,424	4,228	1,845	-		22,280	2,229	1,067	1,555	3,420	
1,381	4,282	1,676	-		18,402	2,051	852	1,095	1,466	
256	4,109	1,793	-		19,266	1,927	923	1,345	933	
133	4,223	1,653	-		19,193	2,139	889	1,142	971	
672	4,059	1,804	-		35,614	4,380	2,089	1,855	2,240	
2,718	3,827	2,029	-		79,973	8,806	4,987	3,383	5,392	
5,482	3,904	1,949	-		133,532	15,553	8,092	5,278	9,069	
9,736	7,570	3,536	-		202,256	23,405	11,825	8,559	13,237	
12,108	12,535	6,407	-		225,788	25,790	14,502	10,473	14,816	
12,017	10,269	5,606	-		195,810	22,546	13,595	8,708	12,911	
12,808	9,648	5,281	-		161,270	18,387	11,447	7,706	10,561	
6,813	6,719	3,620	-		100,891	11,679	7,084	4,820	6,446	
3,439	3,882	1,968	-		57,125	6,813	4,017	3,464	3,420	
1,387	4,074	1,776	-		26,954	3,124	1,753	1,996	1,466	
257	4,085	1,765	-		18,605	1,883	888	1,268	933	
133	4,219	1,631	-			18,246	2,121	878	1,191	972
	675	4,048	1,802	-		37,304	4,391	2,086	1,808	2,243
	2,730	3,815	2,035	-		84,237	8,846	4,949	3,308	5,399
	5,506	3,899	1,951	-		139,557	15,669	8,175	5,318	9,083
	9,779	7,573	3,532	-		200,974	23,402	11,756	8,453	13,257
	12,054	12,540	6,402	-		225,792	25,793	14,417	10,353	14,825
	11,965	10,270	5,605	-		193,120	22,057	13,302	8,531	12,640
12,763	9,649	5,280	-		162,773	18,397	11,375	7,607	10,565	
6,783	6,719	3,620	-		101,838	11,652	6,969	4,655	6,448	
3,424	3,882	1,968	-		57,677	6,826	4,007	3,430	3,421	
1,381	4,075	1,775	-		27,244	3,142	1,771	2,031	1,466	
256	4,085	1,765	-		18,829	1,888	892	1,283	933	
133	4,220	1,630	-		18,469	2,140	893	1,280	972	
672	4,049	1,801	-		37,702	4,413	2,098	1,833	2,244	
2,718	3,815	2,035	-		85,072	8,874	4,928	3,282	5,403	
5,482	3,899	1,951	-		140,900	15,747	8,218	5,362	9,090	
9,736	7,574	3,531	-		202,880	23,475	11,764	8,429	13,267	

MERC Base Cost of Gas  
MERC Sales Forecast from the SUMG file

NNG				CONSOLIDATED										NNGAL		
GS	Interruptible	Joint	Total NNG	GLGT GS	GLGT Int	GLGT Joint	VTG GS	VTG Int	VTG Joint	Centra GS	Centra Int	Centra Joint	Total Consolidated	GS	Interruptible	Total NNGAL
250,811	194,187	600	445,597	40,799	2,977	798	17,805	3,482	59	12,792	18,309	-	97,020	45,042	23,361	68,403
198,791	168,822	435	368,047	38,695	1,833	483	15,145	1,867	31	10,558	11,338	-	79,949	11,784	17,532	29,316
216,883	167,918	519	385,320	35,280	2,574	690	15,396	3,011	51	11,061	15,832	-	83,896	4,332	14,320	18,651
207,333	176,076	454	383,862	40,358	1,912	504	15,796	1,947	32	11,011	11,826	-	83,385	5,456	13,971	19,427
547,497	164,194	584	712,275	85,075	1,961	571	37,815	3,769	199	23,470	13,629	-	166,489	29,305	15,502	44,807
1,411,789	186,706	969	1,599,464	172,744	2,045	1,332	91,614	8,004	126	59,677	7,979	-	343,520	86,521	21,314	107,835
2,441,508	227,659	1,473	2,670,640	300,827	8,518	1,710	150,139	11,040	664	82,025	23,544	-	578,465	152,224	29,163	181,386
3,749,913	293,160	2,057	4,045,130	446,067	19,997	2,032	208,396	26,695	1,412	128,826	42,358	-	875,782	223,490	41,245	264,735
4,242,345	271,004	2,405	4,515,754	489,704	23,688	2,413	250,319	37,944	1,778	157,982	51,488	-	1,015,314	248,348	47,980	296,328
3,685,084	228,813	2,298	3,916,196	424,039	24,552	2,337	231,514	38,589	1,789	124,667	49,500	-	896,986	210,500	47,724	258,224
2,994,046	229,284	2,064	3,225,394	343,683	21,783	2,265	188,116	39,280	1,540	109,677	44,435	-	750,778	168,673	42,539	211,212
1,786,537	229,753	1,538	2,017,828	219,974	11,750	1,860	118,540	22,082	1,059	67,478	28,928	-	471,670	95,968	32,943	128,912
911,193	230,227	1,073	1,142,494	126,964	7,934	1,353	64,363	15,292	689	39,715	29,567	-	285,876	45,042	23,361	68,403
307,635	230,736	700	539,070	55,577	6,053	856	24,228	10,486	351	16,985	22,927	-	137,464	11,784	17,532	29,316
140,313	231,249	534	372,097	34,618	2,360	692	14,956	2,760	51	10,859	14,511	-	80,806	4,334	14,323	18,656
132,696	231,748	469	364,913	39,828	2,092	505	15,392	2,130	32	10,888	12,942	-	83,809	5,463	13,973	19,436
513,366	232,106	600	746,071	85,444	1,810	572	38,034	3,479	199	23,583	12,580	-	165,700	29,342	15,511	44,853
1,451,312	232,444	984	1,684,740	174,038	1,542	1,333	92,816	6,037	126	60,147	6,018	-	342,057	86,632	21,348	107,979
2,556,883	232,777	1,489	2,791,148	303,088	8,588	1,711	151,711	11,131	664	82,622	23,738	-	583,252	152,420	29,232	181,651
3,784,314	233,084	2,073	4,019,471	447,193	18,823	2,034	208,585	25,128	1,413	129,184	39,871	-	872,230	223,780	41,367	265,147
4,280,028	233,392	2,422	4,515,842	491,072	22,370	2,416	250,731	35,833	1,780	158,436	48,623	-	1,011,260	248,672	47,829	296,500
3,626,438	233,686	2,276	3,862,400	414,686	24,149	2,296	226,326	37,956	1,758	121,926	48,687	-	877,784	205,231	47,574	252,805
3,019,399	233,983	2,077	3,255,458	345,095	20,591	2,262	188,834	37,130	1,538	110,144	42,003	-	747,595	168,893	42,411	211,304
1,800,926	234,290	1,551	2,036,767	220,890	10,294	1,857	118,987	19,345	1,056	67,766	25,342	-	465,538	96,093	32,858	128,951
917,857	234,603	1,087	1,153,546	127,468	7,710	1,349	64,600	14,859	688	39,876	28,730	-	285,280	45,099	23,319	68,418
309,217	234,951	714	544,882	55,754	6,225	853	24,289	10,784	350	17,037	23,578	-	138,870	11,798	17,515	29,312
140,730	235,306	549	376,585	34,676	2,404	690	14,978	2,812	51	10,877	14,784	-	81,271	4,337	14,320	18,656
133,269	235,638	484	369,390	39,923	2,376	504	15,414	2,419	32	10,913	14,696	-	86,277	5,468	13,971	19,439
517,620	235,809	615	754,044	85,816	1,866	571	38,164	3,588	199	23,694	12,972	-	166,870	29,380	15,502	44,882
1,464,481	235,955	999	1,701,436	174,819	1,331	1,332	93,229	5,208	126	60,458	5,192	-	341,695	86,749	21,314	108,062
2,580,385	236,106	1,503	2,817,995	304,476	8,762	1,710	152,336	11,356	664	83,025	24,218	-	586,545	152,629	29,163	181,791
3,819,223	236,284	2,087	4,057,595	449,160	18,305	2,032	209,439	24,436	1,412	129,804	38,773	-	873,360	224,089	41,245	265,334



MERC Base Cost of Gas  
MERC Sales Forecast from the SUMG file

COMPANY USE					GAS LOSS				
NNG	GLGT Cons	VGT Cons	Centra Cons	NNGAL	NNG	GLGT Cons	VGT Cons	Centra Cons	NNGAL
342	423	185	-	-	2,228	223	107	156	342
138	428	168	-	-	1,840	205	85	109	147
26	411	179	-	-	1,927	193	92	134	93
13	422	165	-	-	1,919	214	89	114	97
67	406	180	-	-	3,561	438	209	185	224
272	383	203	-	-	7,997	881	499	338	539
548	390	195	-	-	13,353	1,555	809	528	907
974	757	354	-	-	20,226	2,340	1,183	856	1,324
1,211	1,253	641	-	-	22,579	2,579	1,450	1,047	1,482
1,202	1,027	561	-	-	19,581	2,255	1,359	871	1,291
1,281	965	528	-	-	16,127	1,839	1,145	771	1,056
681	672	362	-	-	10,089	1,168	708	482	645
344	388	197	-	-	5,712	681	402	346	342
139	407	178	-	-	2,695	312	175	200	147
26	409	176	-	-	1,860	188	89	127	93
13	422	163	-	-	1,825	212	88	119	97
68	405	180	-	-	3,730	439	209	181	224
273	382	203	-	-	8,424	885	495	331	540
551	390	195	-	-	13,956	1,567	818	532	908
978	757	353	-	-	20,097	2,340	1,176	845	1,326
1,205	1,254	640	-	-	22,579	2,579	1,442	1,035	1,483
1,197	1,027	561	-	-	19,312	2,206	1,330	853	1,264
1,276	965	528	-	-	16,277	1,840	1,138	761	1,057
678	672	362	-	-	10,184	1,165	697	466	645
342	388	197	-	-	5,768	683	401	343	342
138	407	178	-	-	2,724	314	177	203	147
26	409	176	-	-	1,883	189	89	128	93
13	422	163	-	-	1,847	214	89	128	97
67	405	180	-	-	3,770	441	210	183	224
272	382	203	-	-	8,507	887	493	328	540
548	390	195	-	-	14,090	1,575	822	536	909
974	757	353	-	-	20,288	2,347	1,176	843	1,327

**MERC Base Cost of Gas**  
**Gas Pricing Inputs Based on 3-15-16 NYMEX Futures Pricing**

Rates	
NNG Commodity Surcharge Rate	\$ 0.03830
NNG Storage Injection/Withdraw Rate	\$ 0.01490
NNG ACA Surcharge Rate	\$ 0.00140
NNG Commodity charge less ACA	\$ 0.03690
GLGT Utilization Fee	\$ 0.00394
GLGT ACA Charge	\$ 0.00140
VGT Commodity Rate	\$ 0.01160
VGT ACA Charge	\$ 0.00140
Centra Commodity Charge	\$ -
NBPL Commodity Charge	\$ 0.00865

Projected Premium Gathering Cost	\$ 0.395
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	Ventura	Emerson	CIG RKYMTN	Bison with Premium	AECO	Northern Demarc
May-15	\$ 2.4100	\$ 2.6470	\$ 2.2000	\$ 2.5950	\$ 2.0946	\$ 2.4100
Jun-15	\$ 2.7000	\$ 2.7850	\$ 2.5400	\$ 2.9350	\$ 2.2104	\$ 2.7800
Jul-15	\$ 2.6800	\$ 2.7080	\$ 2.5600	\$ 2.9550	\$ 2.0594	\$ 2.6700
Aug-15	\$ 2.7900	\$ 2.8460	\$ 2.5800	\$ 2.9750	\$ 2.1790	\$ 2.8000
Sep-15	\$ 2.6700	\$ 2.7655	\$ 2.4200	\$ 2.8150	\$ 2.2340	\$ 2.6600
Oct-15	\$ 2.6400	\$ 2.7430	\$ 2.3600	\$ 2.7550	\$ 2.1508	\$ 2.6300
Nov-15	\$ 2.2800	\$ 2.3530	\$ 1.9400	\$ 2.3350	\$ 1.9655	\$ 2.2400
Dec-15	\$ 2.3200	\$ 2.4500	\$ 2.1500	\$ 2.5450	\$ 1.8865	\$ 2.3100
Jan-16	\$ 2.3300	\$ 2.6220	\$ 1.9000	\$ 2.2950	\$ 1.6589	\$ 2.4500
Feb-16	\$ 2.2800	\$ 2.3540	\$ 1.9900	\$ 2.3850	\$ 1.6787	\$ 2.2900
Mar-16	\$ 1.6300	\$ 1.8010	\$ 1.4900	\$ 1.8850	\$ 1.2403	\$ 1.6400
Apr-16	\$ 1.7810	\$ 1.7260	\$ 1.5785	\$ 1.9735	\$ 1.0335	\$ 1.7860
May-16	\$ 1.7800	\$ 1.6700	\$ 1.6300	\$ 2.0250	\$ 1.0850	\$ 1.7925
Jun-16	\$ 1.8620	\$ 1.7820	\$ 1.7620	\$ 2.1570	\$ 1.1545	\$ 1.8695
Jul-16	\$ 1.9950	\$ 1.8800	\$ 1.8925	\$ 2.2875	\$ 1.2250	\$ 2.0175
Aug-16	\$ 2.0465	\$ 1.9290	\$ 1.9640	\$ 2.3590	\$ 1.2815	\$ 2.0715
Sep-16	\$ 2.0540	\$ 1.9440	\$ 1.9815	\$ 2.3765	\$ 1.3165	\$ 2.0790
Oct-16	\$ 2.1230	\$ 1.9880	\$ 2.0230	\$ 2.4180	\$ 1.4555	\$ 2.1330
Nov-16	\$ 2.4845	\$ 2.5670	\$ 2.2695	\$ 2.6645	\$ 1.8270	\$ 2.4595
Dec-16	\$ 2.7735	\$ 2.8210	\$ 2.6660	\$ 3.0610	\$ 2.0410	\$ 2.7160
Jan-17	\$ 3.0685	\$ 2.9460	\$ 2.7635	\$ 3.1585	\$ 2.0810	\$ 2.9385
Feb-17	\$ 3.0515	\$ 2.9390	\$ 2.7690	\$ 3.1640	\$ 2.0990	\$ 2.9665
Mar-17	\$ 2.7905	\$ 2.8980	\$ 2.5480	\$ 2.9430	\$ 2.0780	\$ 2.8055
Apr-17	\$ 2.4980	\$ 2.4080	\$ 2.2305	\$ 2.6255	\$ 1.8930	\$ 2.4905
May-17	\$ 2.3705	\$ 2.4180	\$ 2.2555	\$ 2.6505	\$ 1.8380	\$ 2.3980
Jun-17	\$ 2.3785	\$ 2.4660	\$ 2.2910	\$ 2.6860	\$ 1.8685	\$ 2.4135
Jul-17	\$ 2.4735	\$ 2.5110	\$ 2.3635	\$ 2.7585	\$ 1.9060	\$ 2.5085
Aug-17	\$ 2.4515	\$ 2.5190	\$ 2.3715	\$ 2.7665	\$ 1.9090	\$ 2.4865
Sep-17	\$ 2.4715	\$ 2.5090	\$ 2.3565	\$ 2.7515	\$ 1.9240	\$ 2.5065
Oct-17	\$ 2.4400	\$ 2.5250	\$ 2.3675	\$ 2.7625	\$ 1.9600	\$ 2.5125
Nov-17	\$ 2.9015	\$ 2.9090	\$ 2.6640	\$ 3.0590	\$ 2.1690	\$ 2.8290
Dec-17	\$ 3.0505	\$ 3.0430	\$ 2.7955	\$ 3.1905	\$ 2.2505	\$ 2.9755

MERC Base Cost of Gas  
Storage

NNG Storage - in Dth											
Volumes in Dth					Dollars						
Beginning Balance	Inj	Subtotal	W/D	Ending Balance	Beginning Balance	Inj	Subtotal	W/D	Ending Balance	WACOG	
May-15	873,163	873,163		873,163	\$ 3,690,058	\$ -	\$ 3,690,058	\$ -	\$ 3,690,058	\$ 4.226	
Jun-15	873,163	1,072,416		1,072,416	\$ 3,690,058	\$ 594,256	\$ 4,284,315	\$ -	\$ 4,284,315	\$ 3.995	
Jul-15	1,072,416	1,108,163		2,180,579	\$ 4,284,315	\$ 3,176,230	\$ 7,460,545	\$ -	\$ 7,460,545	\$ 3.421	
Aug-15	2,180,579	1,108,163		3,288,742	\$ 7,460,545	\$ 3,244,932	\$ 10,705,476	\$ -	\$ 10,705,476	\$ 3.255	
Sep-15	3,288,742	1,072,416		4,361,158	\$ 10,705,476	\$ 2,977,291	\$ 13,682,768	\$ -	\$ 13,682,768	\$ 3.137	
Oct-15	4,361,158	1,108,163		5,469,321	\$ 13,682,768	\$ 3,008,234	\$ 16,691,002	\$ -	\$ 16,691,002	\$ 3.052	
Nov-15	5,469,321		(533,259)	4,936,062	\$ 16,691,002	\$ -	\$ 16,691,002	\$ (1,627,373)	\$ 15,063,628	\$ 3.052	
Dec-15	4,936,062		(1,339,984)	3,596,078	\$ 15,063,628	\$ -	\$ 15,063,628	\$ (4,089,296)	\$ 10,974,332	\$ 3.052	
Jan-16	3,596,078		(1,339,984)	2,256,094	\$ 10,974,332	\$ -	\$ 10,974,332	\$ (4,089,296)	\$ 6,885,035	\$ 3.052	
Feb-16	2,256,094		(1,339,984)	916,110	\$ 6,885,035	\$ -	\$ 6,885,035	\$ (4,089,296)	\$ 2,795,739	\$ 3.052	
Mar-16	916,110		(533,259)	382,851	\$ 2,795,739	\$ -	\$ 2,795,739	\$ (1,627,373)	\$ 1,168,366	\$ 3.052	
Apr-16	382,851		(382,851)	-	\$ 1,168,366	\$ -	\$ 1,168,366	\$ (1,168,366)	\$ -	\$ -	
May-16	-		-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Jun-16	-	1,072,416		1,072,416	\$ -	\$ 2,132,323	\$ 2,132,323	\$ -	\$ 2,132,323	\$ 1.988	
Jul-16	1,072,416	1,108,163		2,180,579	\$ 2,132,323	\$ 2,378,028	\$ 4,510,351	\$ -	\$ 4,510,351	\$ 2.068	
Aug-16	2,180,579	1,108,163		3,288,742	\$ 4,510,351	\$ 2,441,612	\$ 6,951,963	\$ -	\$ 6,951,963	\$ 2.114	
Sep-16	3,288,742	1,072,416		4,361,158	\$ 6,951,963	\$ 2,348,130	\$ 9,300,093	\$ -	\$ 9,300,093	\$ 2.132	
Oct-16	4,361,158	1,108,163		5,469,321	\$ 9,300,093	\$ 2,478,723	\$ 11,778,816	\$ -	\$ 11,778,816	\$ 2.154	
Nov-16	5,469,321		(533,259)	4,936,062	\$ 11,778,816	\$ -	\$ 11,778,816	\$ (1,148,435)	\$ 10,630,381	\$ 2.154	
Dec-16	4,936,062		(1,339,984)	3,596,078	\$ 10,630,381	\$ -	\$ 10,630,381	\$ (2,885,811)	\$ 7,744,570	\$ 2.154	
Jan-17	3,596,078		(1,339,984)	2,256,094	\$ 7,744,570	\$ -	\$ 7,744,570	\$ (2,885,811)	\$ 4,858,760	\$ 2.154	
Feb-17	2,256,094		(1,339,984)	916,110	\$ 4,858,760	\$ -	\$ 4,858,760	\$ (2,885,811)	\$ 1,972,949	\$ 2.154	
Mar-17	916,110		(533,259)	382,851	\$ 1,972,949	\$ -	\$ 1,972,949	\$ (1,148,435)	\$ 824,514	\$ 2.154	
Apr-17	382,851		(382,851)	-	\$ 824,514	\$ -	\$ 824,514	\$ (824,514)	\$ -	\$ -	
May-17	-		-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Jun-17	-	1,072,416		1,072,416	\$ -	\$ 2,691,461	\$ 2,691,461	\$ -	\$ 2,691,461	\$ 2.510	
Jul-17	1,072,416	1,108,163		2,180,579	\$ 2,691,461	\$ 2,903,506	\$ 5,594,967	\$ -	\$ 5,594,967	\$ 2.566	
Aug-17	2,180,579	1,108,163		3,288,742	\$ 5,594,967	\$ 2,891,279	\$ 8,486,246	\$ -	\$ 8,486,246	\$ 2.580	
Sep-17	3,288,742	1,072,416		4,361,158	\$ 8,486,246	\$ 2,776,155	\$ 11,262,401	\$ -	\$ 11,262,401	\$ 2.582	
Oct-17	4,361,158	1,108,163		5,469,321	\$ 11,262,401	\$ 2,843,327	\$ 14,105,728	\$ -	\$ 14,105,728	\$ 2.579	
Nov-17	5,469,321		(533,259)	4,936,062	\$ 14,105,728	\$ -	\$ 14,105,728	\$ (1,375,309)	\$ 12,730,419	\$ 2.579	
Dec-17	4,936,062		(1,339,984)	3,596,078	\$ 12,730,419	\$ -	\$ 12,730,419	\$ -	\$ 12,730,419	\$ 3.540	

MERC Base Cost of Gas  
Storage

AECO Storage - in Dth (Consolidated)											
Volumes in Dth					Dollars						
Beginning Balance	Inj	Subtotal	W/D	Ending Balance	Beginning Balance	Inj	Subtotal	W/D	Ending Balance	WACOG	
May-15	104	104		104	\$ 414,453	\$ -	\$ 414,453	\$ -	\$ 414,453	\$ 3,985.121	
Jun-15	104	375,938		376,042	\$ 414,453	\$ 830,973	\$ 1,245,426	\$ -	\$ 1,245,426	\$ 3.312	
Jul-15	376,042	191,103		567,145	\$ 1,245,426	\$ 393,558	\$ 1,638,984	\$ -	\$ 1,638,984	\$ 2.890	
Aug-15	567,145	191,103		758,248	\$ 1,638,984	\$ 416,413	\$ 2,055,397	\$ -	\$ 2,055,397	\$ 2.711	
Sep-15	758,248	93,237		851,485	\$ 2,055,397	\$ 208,291	\$ 2,263,688	\$ -	\$ 2,263,688	\$ 2.659	
Oct-15	851,485	96,335		947,820	\$ 2,263,688	\$ 207,197	\$ 2,470,886	\$ -	\$ 2,470,886	\$ 2.607	
Nov-15	947,820		(85,304)	862,516	\$ 2,470,886	\$ -	\$ 2,470,886	\$ (222,380)	\$ 2,248,505	\$ 2.607	
Dec-15	862,516		(231,768)	630,748	\$ 2,248,505	\$ -	\$ 2,248,505	\$ (604,199)	\$ 1,644,306	\$ 2.607	
Jan-16	630,748		(231,769)	398,979	\$ 1,644,306	\$ -	\$ 1,644,306	\$ (604,202)	\$ 1,040,104	\$ 2.607	
Feb-16	398,979		(209,339)	189,640	\$ 1,040,104	\$ -	\$ 1,040,104	\$ (545,729)	\$ 494,375	\$ 2.607	
Mar-16	189,640		(96,375)	93,265	\$ 494,375	\$ -	\$ 494,375	\$ (251,241)	\$ 243,134	\$ 2.607	
Apr-16	93,265		(93,265)	-	\$ 243,134	\$ -	\$ 243,134	\$ (243,134)	\$ -	\$ -	
May-16	-	191,103		191,103	\$ -	\$ 207,347	\$ 207,347	\$ -	\$ 207,347	\$ 1.085	
Jun-16	191,103	184,939		376,042	\$ 207,347	\$ 213,512	\$ 420,859	\$ -	\$ 420,859	\$ 1.119	
Jul-16	376,042	191,103		567,145	\$ 420,859	\$ 234,101	\$ 654,960	\$ -	\$ 654,960	\$ 1.155	
Aug-16	567,145	191,103		758,248	\$ 654,960	\$ 244,898	\$ 899,859	\$ -	\$ 899,859	\$ 1.187	
Sep-16	758,248	93,237		851,485	\$ 899,859	\$ 122,747	\$ 1,022,605	\$ -	\$ 1,022,605	\$ 1.201	
Oct-16	851,485	96,335		947,820	\$ 1,022,605	\$ 140,216	\$ 1,162,821	\$ -	\$ 1,162,821	\$ 1.227	
Nov-16	947,820		(85,304)	862,516	\$ 1,162,821	\$ -	\$ 1,162,821	\$ (104,654)	\$ 1,058,167	\$ 1.227	
Dec-16	862,516		(231,768)	630,748	\$ 1,058,167	\$ -	\$ 1,058,167	\$ (284,342)	\$ 773,825	\$ 1.227	
Jan-17	630,748		(231,769)	398,979	\$ 773,825	\$ -	\$ 773,825	\$ (284,343)	\$ 489,482	\$ 1.227	
Feb-17	398,979		(209,339)	189,640	\$ 489,482	\$ -	\$ 489,482	\$ (256,825)	\$ 232,657	\$ 1.227	
Mar-17	189,640		(96,375)	93,265	\$ 232,657	\$ -	\$ 232,657	\$ (118,236)	\$ 114,421	\$ 1.227	
Apr-17	93,265		(93,265)	-	\$ 114,421	\$ -	\$ 114,421	\$ (114,421)	\$ -	\$ -	
May-17	-	191,103		191,103	\$ -	\$ 351,247	\$ 351,247	\$ -	\$ 351,247	\$ 1.838	
Jun-17	191,103	184,939		376,042	\$ 351,247	\$ 345,559	\$ 696,806	\$ -	\$ 696,806	\$ 1.853	
Jul-17	376,042	191,103		567,145	\$ 696,806	\$ 364,242	\$ 1,061,048	\$ -	\$ 1,061,048	\$ 1.871	
Aug-17	567,145	191,103		758,248	\$ 1,061,048	\$ 364,816	\$ 1,425,864	\$ -	\$ 1,425,864	\$ 1.880	
Sep-17	758,248	93,237		851,485	\$ 1,425,864	\$ 179,388	\$ 1,605,252	\$ -	\$ 1,605,252	\$ 1.885	
Oct-17	851,485	96,335		947,820	\$ 1,605,252	\$ 188,817	\$ 1,794,068	\$ -	\$ 1,794,068	\$ 1.893	
Nov-17	947,820		(85,304)	862,516	\$ 1,794,068	\$ -	\$ 1,794,068	\$ (161,467)	\$ 1,632,602	\$ 1.893	
Dec-17	862,516		(231,768)	630,748	\$ 1,632,602	\$ -	\$ 1,632,602	\$ (438,699)	\$ 1,193,903	\$ 1.893	

MERC Base Cost of Gas  
Storage

MERC Albert Lea (AL) Storage - in Dth											
Volumes in Dth					Dollars						
Beginning Balance	Inj	Subtotal	W/D	Ending Balance	Beginning Balance	Inj	Subtotal	W/D	Ending Balance	WACOG	
May-15	-	-		-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Jun-15	68,627	68,627		68,627	\$ -	\$ 193,866	\$ 193,866	\$ -	\$ 193,866	\$ 2.825	
Jul-15	68,627	139,542		139,542	\$ 193,866	\$ 192,402	\$ 386,268	\$ -	\$ 386,268	\$ 2.768	
Aug-15	139,542	210,457		210,457	\$ 386,268	\$ 201,770	\$ 588,038	\$ -	\$ 588,038	\$ 2.794	
Sep-15	210,457	279,084	-	279,084	\$ 588,038	\$ 185,497	\$ 773,535	\$ -	\$ 773,535	\$ 2.772	
Oct-15	279,084	350,000		350,000	\$ 773,535	\$ 189,522	\$ 963,058	\$ -	\$ 963,058	\$ 2.752	
Nov-15	350,000	350,000	(34,125)	315,875	\$ 963,058	\$ -	\$ 963,058	\$ (93,898)	\$ 869,160	\$ 2.752	
Dec-15	315,875	315,875	(85,750)	230,125	\$ 869,160	\$ -	\$ 869,160	\$ (235,949)	\$ 633,210	\$ 2.752	
Jan-16	230,125	230,125	(85,750)	144,375	\$ 633,210	\$ -	\$ 633,210	\$ (235,949)	\$ 397,261	\$ 2.752	
Feb-16	144,375	144,375	(85,750)	58,625	\$ 397,261	\$ -	\$ 397,261	\$ (235,949)	\$ 161,312	\$ 2.752	
Mar-16	58,625	58,625	(34,125)	24,500	\$ 161,312	\$ -	\$ 161,312	\$ (93,898)	\$ 67,414	\$ 2.752	
Apr-16	24,500	24,500	(24,500)	-	\$ 67,414	\$ -	\$ 67,414	\$ (67,414)	\$ -	\$ -	
May-16	-	-		-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Jun-16	-	68,627		68,627	\$ -	\$ 128,298	\$ 128,298	\$ -	\$ 128,298	\$ 1.869	
Jul-16	68,627	139,542		139,542	\$ 128,298	\$ 143,071	\$ 271,369	\$ -	\$ 271,369	\$ 1.945	
Aug-16	139,542	210,457		210,457	\$ 271,369	\$ 146,900	\$ 418,269	\$ -	\$ 418,269	\$ 1.987	
Sep-16	210,457	279,084		279,084	\$ 418,269	\$ 142,675	\$ 560,945	\$ -	\$ 560,945	\$ 2.010	
Oct-16	279,084	350,000		350,000	\$ 560,945	\$ 153,708	\$ 714,653	\$ -	\$ 714,653	\$ 2.042	
Nov-16	350,000	350,000	(34,125)	315,875	\$ 714,653	\$ -	\$ 714,653	\$ (69,679)	\$ 644,974	\$ 2.042	
Dec-16	315,875	315,875	(85,750)	230,125	\$ 644,974	\$ -	\$ 644,974	\$ (175,090)	\$ 469,884	\$ 2.042	
Jan-17	230,125	230,125	(85,750)	144,375	\$ 469,884	\$ -	\$ 469,884	\$ (175,090)	\$ 294,794	\$ 2.042	
Feb-17	144,375	144,375	(85,750)	58,625	\$ 294,794	\$ -	\$ 294,794	\$ (175,090)	\$ 119,704	\$ 2.042	
Mar-17	58,625	58,625	(34,125)	24,500	\$ 119,704	\$ -	\$ 119,704	\$ (69,679)	\$ 50,026	\$ 2.042	
Apr-17	24,500	24,500	(24,500)	-	\$ 50,026	\$ -	\$ 50,026	\$ (50,026)	\$ -	\$ -	
May-17	-	-		-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Jun-17	-	68,627		68,627	\$ -	\$ 165,631	\$ 165,631	\$ -	\$ 165,631	\$ 2.413	
Jul-17	68,627	139,542		139,542	\$ 165,631	\$ 177,890	\$ 343,521	\$ -	\$ 343,521	\$ 2.462	
Aug-17	139,542	210,457		210,457	\$ 343,521	\$ 176,330	\$ 519,852	\$ -	\$ 519,852	\$ 2.470	
Sep-17	210,457	279,084		279,084	\$ 519,852	\$ 172,014	\$ 691,865	\$ -	\$ 691,865	\$ 2.479	
Oct-17	279,084	350,000		350,000	\$ 691,865	\$ 181,055	\$ 872,920	\$ -	\$ 872,920	\$ 2.494	
Nov-17	350,000	350,000	(34,125)	315,875	\$ 872,920	\$ -	\$ 872,920	\$ (85,110)	\$ 787,811	\$ 2.494	
Dec-17	315,875	315,875	(85,750)	230,125	\$ 787,811	\$ -	\$ 787,811	\$ (213,865)	\$ 573,945	\$ 2.494	

MERC Base Cost of Gas  
NNG Gas Commodity Costs

NOTES:		Price at Ventura	Price at Bison plus gathering cost	Forecasted sales	Forecasted Co Use	Forecasted Gas Loss	Add sales together	From Storage tab - injections and withdraws	Sales forecast plus storage	Total Requirement grossed up for fuel	Storage requirement grossed up for fuel	Bison Capacity is first 25,000 dths per day	Ventura Capacity - anything over 25,000 dth per day
Date	Projected Price NNG Ventura	Projected Price Bison	Total NNG Sales	Co Use	Gas Loss	Net Sales Forecast	NNG Storage Inj/WD	Total Net Requirement	Total Gross Flowing Gas Requirement	Gross NNG Storage Requirement	Days	Bison Capacity	Ventura Capacity
May-15	\$ 2.4100	\$ 2.5950	445,597	342	2,228	448,168	-	448,168	450,556	-	31	450,556	-
Jun-15	\$ 2.7000	\$ 2.9350	368,047	138	1,840	370,025	199,253	569,278	574,469	202,472	28	574,469	-
Jul-15	\$ 2.6800	\$ 2.9550	385,320	26	1,927	387,272	1,108,163	1,495,435	1,515,403	1,126,067	31	775,000	740,403
Aug-15	\$ 2.7900	\$ 2.9750	383,862	13	1,919	385,794	1,108,163	1,493,957	1,513,917	1,126,067	30	750,000	763,917
Sep-15	\$ 2.6700	\$ 2.8150	712,275	67	3,561	715,904	1,072,416	1,788,320	1,809,461	1,089,743	31	775,000	1,034,461
Oct-15	\$ 2.6400	\$ 2.7550	1,599,464	272	7,997	1,607,733	1,108,163	2,715,896	2,742,367	1,126,067	30	750,000	1,992,367
Nov-15	\$ 2.2800	\$ 2.3350	2,670,640	548	13,353	2,684,541	(533,259)	2,151,282	2,176,090	-	31	775,000	1,401,090
Dec-15	\$ 2.3200	\$ 2.5450	4,045,130	974	20,226	4,066,329	(1,339,984)	2,726,345	2,757,784	-	31	775,000	1,982,784
Jan-16	\$ 2.3300	\$ 2.2950	4,515,754	1,211	22,579	4,539,543	(1,339,984)	3,199,559	3,236,455	-	30	750,000	2,486,455
Feb-16	\$ 2.2800	\$ 2.3850	3,916,196	1,202	19,581	3,936,978	(1,339,984)	2,596,994	2,626,941	-	31	775,000	1,851,941
Mar-16	\$ 1.6300	\$ 1.8850	3,225,394	1,281	16,127	3,242,801	(533,259)	2,709,542	2,740,787	-	30	750,000	1,990,787
Apr-16	\$ 1.7810	\$ 1.9735	2,017,828	681	10,089	2,028,598	(382,851)	1,645,747	1,664,725	-	31	775,000	889,725
May-16	\$ 1.7800	\$ 2.0250	1,142,494	344	5,712	1,148,550	-	1,148,550	1,154,670	-	31	775,000	379,670
Jun-16	\$ 1.8620	\$ 2.1570	539,070	139	2,695	541,904	1,072,416	1,614,320	1,634,534	1,072,415.98	28	700,000	934,534
Jul-16	\$ 1.9950	\$ 2.2875	372,097	26	1,860	373,983	1,108,163	1,482,146	1,502,043	1,108,162.98	31	775,000	727,043
Aug-16	\$ 2.0465	\$ 2.3590	364,913	13	1,825	366,750	1,108,163	1,474,913	1,494,772	1,108,163	30	750,000	744,772
Sep-16	\$ 2.0540	\$ 2.3765	746,071	68	3,730	749,869	1,072,416	1,822,285	1,843,608	1,072,416	31	775,000	1,068,608
Oct-16	\$ 2.1230	\$ 2.4180	1,684,740	273	8,424	1,693,437	1,108,163	2,801,600	2,828,527	1,126,067	30	750,000	2,078,527
Nov-16	\$ 2.4845	\$ 2.6645	2,791,148	551	13,956	2,805,655	(533,259)	2,272,396	2,298,600	-	31	775,000	1,523,600
Dec-16	\$ 2.7735	\$ 3.0610	4,019,471	978	20,097	4,040,546	(1,339,984)	2,700,562	2,731,704	-	31	775,000	1,956,704
Jan-17	\$ 3.0685	\$ 3.1585	4,515,842	1,205	22,579	4,539,627	(1,339,984)	3,199,643	3,236,539	-	30	750,000	2,486,539
Feb-17	\$ 3.0515	\$ 3.1640	3,862,400	1,197	19,312	3,882,909	(1,339,984)	2,542,925	2,572,248	-	31	775,000	1,797,248
Mar-17	\$ 2.7905	\$ 2.9430	3,255,458	1,276	16,277	3,273,012	(533,259)	2,739,753	2,771,346	-	30	750,000	2,021,346
Apr-17	\$ 2.4980	\$ 2.6255	2,036,767	678	10,184	2,047,629	(382,851)	1,664,778	1,683,975	-	31	775,000	908,975
May-17	\$ 2.3705	\$ 2.6505	1,153,546	342	5,768	1,159,656	-	1,159,656	1,165,835	-	31	775,000	390,835
Jun-17	\$ 2.3785	\$ 2.6860	544,882	138	2,724	547,744	1,072,416	1,620,160	1,640,406	1,072,415.98	28	700,000	940,406
Jul-17	\$ 2.4735	\$ 2.7585	376,585	26	1,883	378,493	1,108,163	1,486,656	1,506,577	1,108,162.98	31	775,000	731,577
Aug-17	\$ 2.4515	\$ 2.7665	369,390	13	1,847	371,250	1,108,163	1,479,413	1,499,296	1,108,163	30	750,000	749,296
Sep-17	\$ 2.4715	\$ 2.7515	754,044	67	3,770	757,881	1,072,416	1,830,297	1,851,662	1,072,416	31	775,000	1,076,662
Oct-17	\$ 2.4400	\$ 2.7625	1,701,436	272	8,507	1,710,215	1,108,163	2,818,378	2,845,395	1,126,067	30	750,000	2,095,395
Nov-17	\$ 2.9015	\$ 3.0590	2,817,995	548	14,090	2,832,633	(533,259)	2,299,374	2,325,889	-	31	775,000	1,550,889
Dec-17	\$ 3.0505	\$ 3.1905	4,057,595	974	20,288	4,078,856	(1,339,984)	2,738,872	2,770,456	-	31	775,000	1,995,456
			61,391,447	15,882	306,957	61,714,287	2,722,915	64,437,202	65,167,037	15,644,868		23,875,025	41,292,012

MERC Base Cost of Gas  
NNG Gas Commodity Costs

Date	Bison Capacity times Bison Price		Ventura Capacity times Ventura Price		Flowing gas cost (remove storage injection)		Cost of gas injected into storage		Gas withdrawals priced at storage WACOG		Flowing gas plus gas withdrawn from storage		Total cost divided by Net Sales		Total requirement times Commodity Surcharge		Total requirement times ACA Surcharge		Storage Inj/WD times Storage Surcharge		Total Volumetric cost divided by total requirement	
	Bison Cost	Ventura Cost	Requirement Total Cost	Total Flowing Gas Cost	Total NNG Storage Cost	Storage Gas Cost	Demand Charges	Sales Gas Cost	Projected Gas Cost Per Unit	NNG Commodity Surcharge Cost	NNG ACA Surcharge Cost	NNG Storage Inj/WD Cost	Total Volumetric Cost	Projected Volumetric cost per unit								
May-15	\$ 1,169,192	\$ -	\$ 1,169,192	\$ 1,169,192	\$ -	\$ -	\$ -	\$ 2,637,869	\$ 5.8859	\$ 16,625	\$ 631	\$ -	\$ 17,256	\$ 0.0383								
Jun-15	\$ 1,686,067	\$ -	\$ 1,686,067	\$ 1,091,811	\$ 594,256	\$ -	\$ -	\$ 2,931,757	\$ 7.9231	\$ 21,198	\$ 804	\$ 2,969	\$ 24,971	\$ 0.0435								
Jul-15	\$ 2,290,125	\$ 1,984,279	\$ 4,274,404	\$ 1,098,174	\$ 3,176,230	\$ -	\$ -	\$ 2,978,370	\$ 7.6906	\$ 55,918	\$ 2,122	\$ 16,512	\$ 74,552	\$ 0.0492								
Aug-15	\$ 2,231,250	\$ 2,131,330	\$ 4,362,580	\$ 1,117,648	\$ 3,244,932	\$ -	\$ -	\$ 2,997,844	\$ 7.7706	\$ 55,864	\$ 2,119	\$ 16,512	\$ 74,495	\$ 0.0492								
Sep-15	\$ 2,181,625	\$ 2,762,011	\$ 4,943,636	\$ 1,966,345	\$ 2,977,291	\$ -	\$ -	\$ 3,806,291	\$ 5.3168	\$ 66,769	\$ 2,533	\$ 15,979	\$ 85,281	\$ 0.0471								
Oct-15	\$ 2,066,250	\$ 5,259,848	\$ 7,326,098	\$ 4,317,864	\$ 3,008,234	\$ -	\$ -	\$ 6,198,060	\$ 3.8552	\$ 101,193	\$ 3,839	\$ 16,512	\$ 121,544	\$ 0.0443								
Nov-15	\$ 1,809,625	\$ 3,194,484	\$ 5,004,109	\$ 5,004,109	\$ -	\$ -	\$ 1,627,373	\$ 1,428,427	\$ 3.0023	\$ 80,298	\$ 3,047	\$ 7,946	\$ 91,290	\$ 0.0420								
Dec-15	\$ 1,972,375	\$ 4,600,058	\$ 6,572,433	\$ 6,572,433	\$ -	\$ -	\$ 4,089,296	\$ 1,468,677	\$ 2.9831	\$ 101,762	\$ 3,861	\$ 19,966	\$ 125,589	\$ 0.0455								
Jan-16	\$ 1,721,250	\$ 5,793,440	\$ 7,514,690	\$ 7,514,690	\$ -	\$ -	\$ 4,089,296	\$ 1,468,677	\$ 2.8797	\$ 119,425	\$ 4,531	\$ 19,966	\$ 143,922	\$ 0.0445								
Feb-16	\$ 1,848,375	\$ 4,222,426	\$ 6,070,801	\$ 6,070,801	\$ -	\$ -	\$ 4,089,296	\$ 1,388,177	\$ 2.9333	\$ 96,934	\$ 3,678	\$ 19,966	\$ 120,578	\$ 0.0459								
Mar-16	\$ 1,413,750	\$ 3,244,983	\$ 4,658,733	\$ 4,658,733	\$ -	\$ -	\$ 1,627,373	\$ 1,468,677	\$ 2.3914	\$ 101,135	\$ 3,837	\$ 7,946	\$ 112,918	\$ 0.0412								
Apr-16	\$ 1,529,463	\$ 1,584,601	\$ 3,114,063	\$ 3,114,063	\$ -	\$ -	\$ 1,168,366	\$ 1,428,427	\$ 2.8152	\$ 61,428	\$ 2,331	\$ 5,704	\$ 69,463	\$ 0.0417								
May-16	\$ 1,569,375	\$ 675,812	\$ 2,245,187	\$ 2,245,187	\$ -	\$ -	\$ -	\$ 1,468,677	\$ 3.2335	\$ 42,607	\$ 1,617	\$ -	\$ 44,224	\$ 0.0383								
Jun-16	\$ 1,509,900	\$ 1,740,103	\$ 3,250,003	\$ 1,117,680	\$ 2,132,323	\$ -	\$ -	\$ 2,957,626	\$ 5.4578	\$ 60,314	\$ 2,288	\$ 15,979	\$ 78,582	\$ 0.0481								
Jul-16	\$ 1,772,813	\$ 1,450,451	\$ 3,223,263	\$ 845,235	\$ 2,378,028	\$ -	\$ -	\$ 2,725,431	\$ 7.2876	\$ 55,425	\$ 2,103	\$ 16,512	\$ 74,040	\$ 0.0493								
Aug-16	\$ 1,769,250	\$ 1,524,176	\$ 3,293,426	\$ 851,814	\$ 2,441,612	\$ -	\$ -	\$ 2,732,010	\$ 7.4492	\$ 55,157	\$ 2,093	\$ 16,512	\$ 73,761	\$ 0.0493								
Sep-16	\$ 1,841,788	\$ 2,194,920	\$ 4,036,707	\$ 1,688,578	\$ 2,348,130	\$ -	\$ -	\$ 3,528,524	\$ 4.7055	\$ 68,029	\$ 2,581	\$ 15,979	\$ 86,589	\$ 0.0470								
Oct-16	\$ 1,813,500	\$ 4,412,713	\$ 6,226,213	\$ 3,747,490	\$ 2,478,723	\$ -	\$ -	\$ 5,627,686	\$ 3.3232	\$ 104,373	\$ 3,960	\$ 16,512	\$ 124,844	\$ 0.0441								
Nov-16	\$ 2,064,988	\$ 3,785,383	\$ 5,850,371	\$ 5,850,371	\$ -	\$ -	\$ 1,148,435	\$ 1,428,427	\$ 3.0037	\$ 84,818	\$ 3,218	\$ 7,946	\$ 95,982	\$ 0.0418								
Dec-16	\$ 2,372,275	\$ 5,426,918	\$ 7,799,193	\$ 7,799,193	\$ -	\$ -	\$ 2,885,811	\$ 1,468,677	\$ 3.0079	\$ 100,800	\$ 3,824	\$ 19,966	\$ 124,590	\$ 0.0456								
Jan-17	\$ 2,368,875	\$ 7,629,946	\$ 9,998,821	\$ 9,998,821	\$ -	\$ -	\$ 2,885,811	\$ 1,468,677	\$ 3.1618	\$ 119,428	\$ 4,531	\$ 19,966	\$ 143,925	\$ 0.0445								
Feb-17	\$ 2,452,100	\$ 5,484,304	\$ 7,936,404	\$ 7,936,404	\$ -	\$ -	\$ 2,885,811	\$ 1,359,427	\$ 3.1372	\$ 94,916	\$ 3,601	\$ 19,966	\$ 118,483	\$ 0.0461								
Mar-17	\$ 2,207,250	\$ 5,640,566	\$ 7,847,816	\$ 7,847,816	\$ -	\$ -	\$ 1,148,435	\$ 1,468,677	\$ 3.1973	\$ 102,263	\$ 3,880	\$ 7,946	\$ 114,088	\$ 0.0412								
Apr-17	\$ 2,034,763	\$ 2,270,621	\$ 4,305,383	\$ 4,305,383	\$ -	\$ -	\$ 824,514	\$ 1,428,427	\$ 3.2029	\$ 62,139	\$ 2,358	\$ 5,704	\$ 70,201	\$ 0.0417								
May-17	\$ 2,054,138	\$ 926,475	\$ 2,980,612	\$ 2,980,612	\$ -	\$ -	\$ -	\$ 1,468,677	\$ 3.8367	\$ 43,019	\$ 1,632	\$ -	\$ 44,651	\$ 0.0383								
Jun-17	\$ 1,880,200	\$ 2,236,755	\$ 4,116,955	\$ 1,425,493	\$ 2,691,461	\$ -	\$ -	\$ 3,265,439	\$ 5.9616	\$ 60,531	\$ 2,297	\$ 15,979	\$ 78,807	\$ 0.0480								
Jul-17	\$ 2,137,838	\$ 1,809,557	\$ 3,947,394	\$ 1,043,889	\$ 2,903,506	\$ -	\$ -	\$ 2,924,085	\$ 7.7256	\$ 55,593	\$ 2,109	\$ 16,512	\$ 74,214	\$ 0.0493								
Aug-17	\$ 2,074,875	\$ 1,836,898	\$ 3,911,773	\$ 1,020,494	\$ 2,891,279	\$ -	\$ -	\$ 2,900,690	\$ 7.8133	\$ 55,324	\$ 2,099	\$ 16,512	\$ 73,935	\$ 0.0493								
Sep-17	\$ 2,132,413	\$ 2,660,970	\$ 4,793,383	\$ 2,017,228	\$ 2,776,155	\$ -	\$ -	\$ 3,857,174	\$ 5.0894	\$ 68,326	\$ 2,592	\$ 15,979	\$ 86,898	\$ 0.0469								
Oct-17	\$ 2,071,875	\$ 5,112,763	\$ 7,184,638	\$ 4,341,311	\$ 2,843,327	\$ -	\$ -	\$ 6,221,507	\$ 3.6379	\$ 104,995	\$ 3,984	\$ 16,512	\$ 125,490	\$ 0.0441								
Nov-17	\$ 2,370,725	\$ 4,499,905	\$ 6,870,630	\$ 6,870,630	\$ -	\$ -	\$ 1,375,309	\$ 1,428,427	\$ 3.4153	\$ 85,825	\$ 3,256	\$ 7,946	\$ 97,027	\$ 0.0417								
Dec-17	\$ 2,472,638	\$ 6,087,138	\$ 8,559,775	\$ 8,559,775	\$ -	\$ -	\$ -	\$ 1,468,677	\$ 2.4586	\$ 102,230	\$ 3,879	\$ 19,966	\$ 126,074	\$ 0.0455								
	\$ 62,890,922	\$ 102,183,834	\$ 165,074,755	\$ 126,189,268	\$ 38,885,487	\$ 29,845,127	\$ -	\$ 208,572,343	\$ -	\$ 2,404,664	\$ 91,234	\$ 422,366	\$ 2,918,263	\$ 0.0448								

**MERC Base Cost of Gas  
Consolidated Gas Commodity Costs**

NOTES:			Forecasted Sales	Forecasted Co Use	Forecasted Gas Loss	Total GLGT Sales Forecast	Forecasted Sales	Forecasted Co Use	Forecasted Gas Loss	Total VGT Sales Forecast	Forecasted Sales	Forecasted Gas Loss	Total Centra Sales Forecast	Total Net Sales Forecast all Pipes
Price at AECO	Price at Emerson													
Projected Price AECO	Projected Price Emerson		Total GLGT Sales	Total GLGT Co Use	Total GLGT Gas Loss	Net GLGT Sales Forecast	Total VGT Sales	Total VGT Co Use	Total VGT Gas Loss	Net VGT Sales Forecast	Total Centra Sales	Total Centra Gas Loss	Net Centra Sales Forecast	Total Net Consolidated Sales Forecast
Date			Sales	Co Use	Gas Loss	Forecast	Total VGT Sales	Co Use	Gas Loss	Forecast	Sales	Loss	Sales Forecast	Sales Forecast
May-15	\$ 2.0946	\$ 2.6470	44,574	423	223	45,219	21,346	185	107	21,637	31,101	156	31,256	98,113
Jun-15	\$ 2.2104	\$ 2.7850	41,011	428	205	41,644	17,042	168	85	17,295	21,896	109	22,005	80,945
Jul-15	\$ 2.0594	\$ 2.7080	38,544	411	193	39,148	18,458	179	92	18,730	26,894	134	27,028	84,906
Aug-15	\$ 2.1790	\$ 2.8460	42,773	422	214	43,410	17,775	165	89	18,029	22,837	114	22,951	84,389
Sep-15	\$ 2.2340	\$ 2.7655	87,607	406	438	88,451	41,783	180	209	42,173	37,098	185	37,284	167,907
Oct-15	\$ 2.1508	\$ 2.7430	176,121	383	881	177,384	99,743	203	499	100,445	67,656	338	67,994	345,823
Nov-15	\$ 1.9655	\$ 2.3530	311,054	390	1,555	313,000	161,843	195	809	162,847	105,569	528	106,097	581,943
Dec-15	\$ 1.8865	\$ 2.4500	468,095	757	2,340	471,193	236,504	354	1,183	238,040	171,184	856	172,040	881,272
Jan-16	\$ 1.6589	\$ 2.6220	515,805	1,253	2,579	519,637	290,040	641	1,450	292,131	209,469	1,047	210,517	1,022,285
Feb-16	\$ 1.6787	\$ 2.3540	450,928	1,027	2,255	454,209	271,892	561	1,359	273,812	174,166	871	175,037	903,058
Mar-16	\$ 1.2403	\$ 1.8010	367,731	965	1,839	370,534	228,936	528	1,145	230,609	154,112	771	154,882	756,025
Apr-16	\$ 1.0335	\$ 1.7260	233,584	672	1,168	235,424	141,680	362	708	142,751	96,406	482	96,888	475,062
May-16	\$ 1.0850	\$ 1.6700	136,250	388	681	137,320	80,344	197	402	80,943	69,282	346	69,628	287,891
Jun-16	\$ 1.1545	\$ 1.7820	62,486	407	312	63,206	35,065	178	175	35,418	39,912	200	40,111	138,736
Jul-16	\$ 1.2250	\$ 1.8800	37,670	409	188	38,266	17,767	176	89	18,032	25,370	127	25,497	81,795
Aug-16	\$ 1.2815	\$ 1.9290	42,425	422	212	43,059	17,554	163	88	17,805	23,830	119	23,949	84,813
Sep-16	\$ 1.3165	\$ 1.9440	87,826	405	439	88,669	41,712	180	209	42,101	36,163	181	36,344	167,114
Oct-16	\$ 1.4555	\$ 1.9880	176,913	382	885	178,179	98,979	203	495	99,677	66,165	331	66,496	344,352
Nov-16	\$ 1.8270	\$ 2.5670	313,386	390	1,567	315,343	163,506	195	818	164,518	106,360	532	106,892	586,753
Dec-16	\$ 2.0410	\$ 2.8210	468,050	757	2,340	471,147	235,126	353	1,176	236,655	169,055	845	169,900	877,702
Jan-17	\$ 2.0810	\$ 2.9460	515,857	1,254	2,579	519,691	288,344	640	1,442	290,426	207,059	1,035	208,094	1,018,210
Feb-17	\$ 2.0990	\$ 2.9390	441,131	1,027	2,206	444,363	266,040	561	1,330	267,931	170,613	853	171,466	883,760
Mar-17	\$ 2.0780	\$ 2.8980	367,947	965	1,840	370,751	227,501	528	1,138	229,167	152,147	761	152,908	752,826
Apr-17	\$ 1.8930	\$ 2.4080	233,041	672	1,165	234,878	139,388	362	697	140,447	93,109	466	93,574	468,899
May-17	\$ 1.8380	\$ 2.4180	136,527	388	683	137,598	80,147	197	401	80,744	68,606	343	68,949	287,292
Jun-17	\$ 1.8685	\$ 2.4660	62,832	407	314	63,554	35,423	178	177	35,778	40,615	203	40,818	140,150
Jul-17	\$ 1.9060	\$ 2.5110	37,769	409	189	38,367	17,841	176	89	18,106	25,661	128	25,790	82,263
Aug-17	\$ 1.9090	\$ 2.5190	42,803	422	214	43,439	17,865	163	89	18,118	25,609	128	25,737	87,294
Sep-17	\$ 1.9240	\$ 2.5090	88,253	405	441	89,099	41,950	180	210	42,340	36,666	183	36,850	168,289
Oct-17	\$ 1.9600	\$ 2.5250	177,482	382	887	178,751	98,563	203	493	99,259	65,650	328	65,978	343,988
Nov-17	\$ 2.1690	\$ 2.9090	314,947	390	1,575	316,912	164,356	195	822	165,372	107,243	536	107,779	590,063
Dec-17	\$ 2.2505	\$ 3.0430	469,496	757	2,347	472,601	235,287	353	1,176	236,816	168,577	843	169,420	878,837
			6,990,918	18,574	34,955	7,044,447	3,849,799	9,102	19,249	3,878,150	2,816,077	14,080	2,830,157	13,752,754



**MERC Base Cost of Gas  
Consolidated Gas Commodity Costs**

NOTES:		<i>From Storage tab - injections and withdraws</i>	<i>Sales forecast plus storage</i>	<i>Total Requirement grossed up for fuel</i>	<i>Total Requirement grossed up for fuel</i>	<i>Total Requirement grossed up for fuel</i>	<i>Total Requirement for all pipes</i>	<i>Storage requirement (fuel is add on cost)</i>	<i>Requirement minus AECO injections</i>
Date	AECO Inj/WD	Total Net Requirement	Total Gross Requirement - GLGT	Total Gross Requirement - VGT	Total Gross Requirement - Centra	Total Gross Requirement - Consolidated	Total Gross AECO Requirement	Requirement Total Cost	Total Flowing Gas Cost
May-15	-	98,113	45,474	21,746	31,294	98,514	-	\$ 260,767	\$ 260,767
Jun-15	375,938	456,883	41,879	17,382	22,032	457,231	375,938	\$ 1,057,375	\$ 226,401
Jul-15	191,103	276,009	39,368	18,824	27,061	276,356	191,103	\$ 624,423	\$ 230,866
Aug-15	191,103	275,492	43,654	18,029	22,979	275,765	191,103	\$ 657,361	\$ 240,948
Sep-15	93,237	261,144	88,949	42,173	37,329	261,688	93,237	\$ 674,143	\$ 465,851
Oct-15	96,335	442,158	178,383	100,445	68,077	443,240	96,335	\$ 1,158,757	\$ 951,560
Nov-15	(85,304)	496,639	314,762	162,847	106,226	583,835	-	\$ 1,206,099	\$ 1,206,099
Dec-15	(231,768)	649,504	473,846	238,040	172,250	884,136	-	\$ 1,728,902	\$ 1,728,902
Jan-16	(231,769)	790,516	522,563	292,131	210,774	1,025,468	-	\$ 2,304,296	\$ 2,304,296
Feb-16	(209,339)	693,719	456,767	273,812	175,251	905,830	-	\$ 1,780,906	\$ 1,780,906
Mar-16	(96,375)	659,650	372,621	231,767	155,072	759,460	-	\$ 1,248,253	\$ 1,248,253
Apr-16	(93,265)	381,797	236,750	143,468	97,006	477,224	-	\$ 727,299	\$ 727,299
May-16	191,103	478,994	138,093	81,350	69,713	480,259	191,103	\$ 690,237	\$ 482,890
Jun-16	184,939	323,675	63,562	35,596	40,160	324,258	184,939	\$ 461,778	\$ 248,266
Jul-16	191,103	272,898	38,482	18,123	25,528	273,235	191,103	\$ 388,510	\$ 154,409
Aug-16	191,103	275,916	43,301	17,805	23,978	276,187	191,103	\$ 409,026	\$ 164,128
Sep-16	93,237	260,351	89,169	42,101	36,388	260,894	93,237	\$ 448,673	\$ 325,926
Oct-16	96,335	440,687	179,182	99,677	66,577	441,772	96,335	\$ 826,944	\$ 686,729
Nov-16	(85,304)	501,449	317,119	164,518	107,022	588,659	-	\$ 1,355,238	\$ 1,355,238
Dec-16	(231,768)	645,934	473,801	236,655	170,107	880,563	-	\$ 2,011,029	\$ 2,011,029
Jan-17	(231,769)	786,441	522,617	290,426	208,348	1,021,391	-	\$ 2,526,707	\$ 2,526,707
Feb-17	(209,339)	674,421	446,866	267,931	171,676	886,472	-	\$ 2,165,939	\$ 2,165,939
Mar-17	(96,375)	656,451	372,839	230,318	153,095	756,252	-	\$ 1,991,352	\$ 1,991,352
Apr-17	(93,265)	375,634	236,200	141,153	93,689	471,042	-	\$ 957,718	\$ 957,718
May-17	191,103	478,395	138,373	81,150	69,034	479,660	191,103	\$ 1,048,977	\$ 697,730
Jun-17	184,939	325,089	63,912	35,958	40,868	325,676	184,939	\$ 692,617	\$ 347,058
Jul-17	191,103	273,366	38,583	18,197	25,821	273,704	191,103	\$ 571,654	\$ 207,412
Aug-17	191,103	278,397	43,684	18,118	25,768	278,673	191,103	\$ 585,404	\$ 220,588
Sep-17	93,237	261,526	89,601	42,340	36,895	262,073	93,237	\$ 602,997	\$ 423,609
Oct-17	96,335	440,323	179,758	99,259	66,058	441,410	96,335	\$ 1,060,132	\$ 871,315
Nov-17	(85,304)	504,759	318,696	165,372	107,911	591,979	-	\$ 1,537,044	\$ 1,537,044
Dec-17	(231,768)	647,069	475,263	236,816	169,627	881,706	-	\$ 2,161,437	\$ 2,161,437
	630,644	14,383,398	7,084,118	3,883,525	2,833,614	16,644,613	2,843,356	\$ 35,921,994	\$ 30,908,672

**MERC Base Cost of Gas**  
**Consolidated Gas Commodity Costs**

NOTES:		Cost of gas injected into storage (at AECO price)	Gas withdrawals priced at storage WACOG	AECO fuel adder - see note	Flowing gas plus gas withdrawn from storage		Total cost divided by Net Sales	Total GLGT requirement times Utilization cost	Total GLGT requirement times ACA Surcharge	Total VGT requirement times Commodity Surcharge	Total VGT requirement times ACA Surcharge	Total Centra times Centra cost	Total Volumetric cost divided by total requirement
Date	Total AECO Storage Cost	Storage Gas Cost (WD)	AECO Fuel	Demand Costs	Sales Gas Cost	Projected Gas Cost Per Unit	GLGT Utilization Cost	GLGT ACA Surcharge Cost	Commodity Surcharge Cost	VGT ACA Surcharge Cost	Total Centra Volumetric Costs	Total Volumetric Cost	Projected Volumetric cost per unit
May-15	\$ -	\$ -	\$ -	\$ 76,965	\$ 337,732	\$ 3.4423	\$ 179	\$ 64	\$ 252	\$ 30	\$ -	\$ 526	\$ 0.0053
Jun-15	\$ 830,973	\$ -	\$ 2,820	\$ 76,965	\$ 306,186	\$ 3.7826	\$ 165	\$ 59	\$ 202	\$ 24	\$ -	\$ 450	\$ 0.0010
Jul-15	\$ 393,558	\$ -	\$ 1,433	\$ 76,965	\$ 309,264	\$ 3.6424	\$ 155	\$ 55	\$ 218	\$ 26	\$ -	\$ 455	\$ 0.0016
Aug-15	\$ 416,413	\$ -	\$ 1,433	\$ 76,965	\$ 319,346	\$ 3.7842	\$ 172	\$ 61	\$ 209	\$ 25	\$ -	\$ 467	\$ 0.0017
Sep-15	\$ 208,291	\$ -	\$ 699	\$ 76,965	\$ 543,516	\$ 3.2370	\$ 350	\$ 125	\$ 489	\$ 59	\$ -	\$ 1,023	\$ 0.0039
Oct-15	\$ 207,197	\$ -	\$ 723	\$ 76,965	\$ 1,029,248	\$ 2.9762	\$ 703	\$ 250	\$ 1,165	\$ 141	\$ -	\$ 2,258	\$ 0.0051
Nov-15	\$ -	\$ 222,380	\$ 640	\$ 126,433	\$ 1,555,553	\$ 2.6730	\$ 1,240	\$ 441	\$ 1,889	\$ 228	\$ -	\$ 3,798	\$ 0.0065
Dec-15	\$ -	\$ 604,199	\$ 1,738	\$ 209,927	\$ 2,544,767	\$ 2.8876	\$ 1,867	\$ 663	\$ 2,761	\$ 333	\$ -	\$ 5,625	\$ 0.0064
Jan-16	\$ -	\$ 604,202	\$ 1,738	\$ 209,927	\$ 3,120,164	\$ 3.0521	\$ 2,059	\$ 732	\$ 3,389	\$ 409	\$ -	\$ 6,588	\$ 0.0064
Feb-16	\$ -	\$ 545,729	\$ 1,570	\$ 197,060	\$ 2,525,265	\$ 2.7963	\$ 1,800	\$ 639	\$ 3,176	\$ 383	\$ -	\$ 5,999	\$ 0.0066
Mar-16	\$ -	\$ 251,241	\$ 723	\$ 117,014	\$ 1,617,231	\$ 2.1391	\$ 1,468	\$ 522	\$ 2,689	\$ 324	\$ -	\$ 5,003	\$ 0.0066
Apr-16	\$ -	\$ 243,134	\$ 699	\$ 115,211	\$ 1,086,343	\$ 2.2867	\$ 933	\$ 331	\$ 1,664	\$ 201	\$ -	\$ 3,129	\$ 0.0066
May-16	\$ 207,347	\$ -	\$ 1,433	\$ 61,132	\$ 545,455	\$ 1.8947	\$ 544	\$ 193	\$ 944	\$ 114	\$ -	\$ 1,795	\$ 0.0037
Jun-16	\$ 213,512	\$ -	\$ 1,387	\$ 61,132	\$ 310,785	\$ 2.2401	\$ 250	\$ 89	\$ 413	\$ 50	\$ -	\$ 802	\$ 0.0025
Jul-16	\$ 234,101	\$ -	\$ 1,433	\$ 61,132	\$ 216,974	\$ 2.6526	\$ 152	\$ 54	\$ 210	\$ 25	\$ -	\$ 441	\$ 0.0016
Aug-16	\$ 244,898	\$ -	\$ 1,433	\$ 61,132	\$ 226,693	\$ 2.6729	\$ 171	\$ 61	\$ 207	\$ 25	\$ -	\$ 463	\$ 0.0017
Sep-16	\$ 122,747	\$ -	\$ 699	\$ 61,132	\$ 387,757	\$ 2.3203	\$ 351	\$ 125	\$ 488	\$ 59	\$ -	\$ 1,023	\$ 0.0039
Oct-16	\$ 140,216	\$ -	\$ 723	\$ 61,132	\$ 748,583	\$ 2.1739	\$ 706	\$ 251	\$ 1,156	\$ 140	\$ -	\$ 2,253	\$ 0.0051
Nov-16	\$ -	\$ 104,654	\$ 640	\$ 110,600	\$ 1,571,131	\$ 2.6777	\$ 1,249	\$ 444	\$ 1,908	\$ 230	\$ -	\$ 3,832	\$ 0.0065
Dec-16	\$ -	\$ 284,342	\$ 1,738	\$ 194,094	\$ 2,491,202	\$ 2.8383	\$ 1,867	\$ 663	\$ 2,745	\$ 331	\$ -	\$ 5,607	\$ 0.0064
Jan-17	\$ -	\$ 284,343	\$ 1,738	\$ 194,094	\$ 3,006,882	\$ 2.9531	\$ 2,059	\$ 732	\$ 3,369	\$ 407	\$ -	\$ 6,566	\$ 0.0064
Feb-17	\$ -	\$ 256,825	\$ 1,570	\$ 181,226	\$ 2,605,560	\$ 2.9483	\$ 1,761	\$ 626	\$ 3,108	\$ 375	\$ -	\$ 5,869	\$ 0.0066
Mar-17	\$ -	\$ 118,236	\$ 723	\$ 117,014	\$ 2,227,324	\$ 2.9586	\$ 1,469	\$ 522	\$ 2,672	\$ 322	\$ -	\$ 4,985	\$ 0.0066
Apr-17	\$ -	\$ 114,421	\$ 699	\$ 115,211	\$ 1,188,050	\$ 2.5337	\$ 931	\$ 331	\$ 1,637	\$ 198	\$ -	\$ 3,096	\$ 0.0066
May-17	\$ 351,247	\$ -	\$ 1,433	\$ 61,132	\$ 760,295	\$ 2.6464	\$ 545	\$ 194	\$ 941	\$ 114	\$ -	\$ 1,794	\$ 0.0037
Jun-17	\$ 345,559	\$ -	\$ 1,387	\$ 61,132	\$ 409,577	\$ 2.9224	\$ 252	\$ 89	\$ 417	\$ 50	\$ -	\$ 809	\$ 0.0025
Jul-17	\$ 364,242	\$ -	\$ 1,433	\$ 61,132	\$ 269,977	\$ 3.2819	\$ 152	\$ 54	\$ 211	\$ 25	\$ -	\$ 443	\$ 0.0016
Aug-17	\$ 364,816	\$ -	\$ 1,433	\$ 61,132	\$ 283,153	\$ 3.2437	\$ 172	\$ 61	\$ 210	\$ 25	\$ -	\$ 469	\$ 0.0017
Sep-17	\$ 179,388	\$ -	\$ 699	\$ 61,132	\$ 485,440	\$ 2.8846	\$ 353	\$ 125	\$ 491	\$ 59	\$ -	\$ 1,029	\$ 0.0039
Oct-17	\$ 188,817	\$ -	\$ 723	\$ 61,132	\$ 933,170	\$ 2.7128	\$ 708	\$ 252	\$ 1,151	\$ 139	\$ -	\$ 2,250	\$ 0.0051
Nov-17	\$ -	\$ 161,467	\$ 640	\$ 110,600	\$ 1,809,750	\$ 3.0670	\$ 1,256	\$ 446	\$ 1,918	\$ 232	\$ -	\$ 3,852	\$ 0.0065
Dec-17	\$ -	\$ 438,699	\$ 1,738	\$ 194,094	\$ 2,795,968	\$ 3.1814	\$ 1,873	\$ 665	\$ 2,747	\$ 332	\$ -	\$ 5,617	\$ 0.0064
	\$ 5,013,322	\$ 4,233,872	\$ 37,921	\$ 3,387,874	\$ 38,568,338	\$ 2.8044	\$ 27,911	\$ 9,918	\$ 45,049	\$ 5,437	\$ -	\$ 88,315	\$ 0.0061

MERC Base Cost of Gas  
AL Gas Commodity Costs

NOTES:			Price at Demarc plus gathering cost			Forecasted sales			Forecasted Co Use			Forecasted Gas Loss			Add sales together			From Storage tab - injections and withdrawals			Sales forecast plus storage			Total Requirement grossed up for fuel			Storage requirement grossed up for fuel			Demarc Capacity is first 25,000 dths per day			Ventura Capacity - anything over 25,000 dth per day		
Date	Projected Price NNG Ventura	Projected Price Demarc	Total NNG Sales	Co Use	Gas Loss	Net Sales Forecast	NNG Storage Inj/WD	Total Net Requirement	Total Gross Flowing Gas Requirement	Gross NNG Storage Requirement	Days	Demarc Capacity	Ventura Capacity																						
May-15	\$ 2.4100	\$ 2.4100	68,403	-	342	68,745	-	68,745	69,111	-	31	69,111	-																						
Jun-15	\$ 2.7000	\$ 2.7800	29,316	-	147	29,463	68,627	98,090	99,356	69,736	28	99,356	-																						
Jul-15	\$ 2.6800	\$ 2.6700	18,651	-	93	18,744	70,915	89,659	90,905	72,061	31	90,905	-																						
Aug-15	\$ 2.7900	\$ 2.8000	19,427	-	97	19,524	70,915	90,439	91,689	72,061	30	91,689	-																						
Sep-15	\$ 2.6700	\$ 2.6600	44,807	-	224	45,031	68,627	113,658	115,007	69,736	31	115,007	-																						
Oct-15	\$ 2.6400	\$ 2.6300	107,835	-	539	108,374	70,916	179,290	181,013	72,062	30	181,013	-																						
Nov-15	\$ 2.2800	\$ 2.2400	181,386	-	907	182,293	(34,125)	148,168	149,877	-	31	149,877	-																						
Dec-15	\$ 2.3200	\$ 2.3100	264,735	-	1,324	266,059	(85,750)	180,309	182,388	-	31	182,388	-																						
Jan-16	\$ 2.3300	\$ 2.4500	296,328	-	1,482	297,810	(85,750)	212,060	214,505	-	30	214,505	-																						
Feb-16	\$ 2.2800	\$ 2.2900	258,224	-	1,291	259,515	(85,750)	173,765	175,769	-	31	175,769	-																						
Mar-16	\$ 1.6300	\$ 1.6400	211,212	-	1,056	212,268	(34,125)	178,143	180,197	-	30	180,197	-																						
Apr-16	\$ 1.7810	\$ 1.7860	128,912	-	645	129,556	(24,500)	105,056	106,268	-	31	106,268	-																						
May-16	\$ 1.7800	\$ 1.7925	68,403	-	342	68,745	-	68,745	69,111	-	31	69,111	-																						
Jun-16	\$ 1.8620	\$ 1.8695	29,316	-	147	29,463	68,627	98,090	99,356	68,626.98	28	99,356	-																						
Jul-16	\$ 1.9950	\$ 2.0175	18,656	-	93	18,749	70,915	89,664	90,910	70,914.98	31	90,910	-																						
Aug-16	\$ 2.0465	\$ 2.0715	19,436	-	97	19,533	70,915	90,448	91,698	70,915	30	91,698	-																						
Sep-16	\$ 2.0540	\$ 2.0790	44,853	-	224	45,077	68,627	113,704	115,053	68,627	31	115,053	-																						
Oct-16	\$ 2.1230	\$ 2.1330	107,979	-	540	108,519	70,916	179,435	181,159	72,062	30	181,159	-																						
Nov-16	\$ 2.4845	\$ 2.4595	181,651	-	908	182,560	(34,125)	148,435	150,146	-	31	150,146	-																						
Dec-16	\$ 2.7735	\$ 2.7160	265,147	-	1,326	266,473	(85,750)	180,723	182,807	-	31	182,807	-																						
Jan-17	\$ 3.0685	\$ 2.9385	296,500	-	1,483	297,983	(85,750)	212,233	214,680	-	30	214,680	-																						
Feb-17	\$ 3.0515	\$ 2.9665	252,805	-	1,264	254,069	(85,750)	168,319	170,260	-	31	170,260	-																						
Mar-17	\$ 2.7905	\$ 2.8055	211,304	-	1,057	212,361	(34,125)	178,236	180,291	-	30	180,291	-																						
Apr-17	\$ 2.4980	\$ 2.4905	128,951	-	645	129,596	(24,500)	105,096	106,308	-	31	106,308	-																						
May-17	\$ 2.3705	\$ 2.3980	68,418	-	342	68,760	-	68,760	69,126	-	31	69,126	-																						
Jun-17	\$ 2.3785	\$ 2.4135	29,312	-	147	29,459	68,627	98,086	99,352	68,626.98	28	99,352	-																						
Jul-17	\$ 2.4735	\$ 2.5085	18,656	-	93	18,750	70,915	89,665	90,910	70,914.98	31	90,910	-																						
Aug-17	\$ 2.4515	\$ 2.4865	19,439	-	97	19,536	70,915	90,451	91,701	70,915	30	91,701	-																						
Sep-17	\$ 2.4715	\$ 2.5065	44,882	-	224	45,106	68,627	113,733	115,082	68,627	31	115,082	-																						
Oct-17	\$ 2.4400	\$ 2.5125	108,062	-	540	108,603	70,916	179,519	181,243	72,062	30	181,243	-																						
Nov-17	\$ 2.9015	\$ 2.8290	181,791	-	909	182,700	(34,125)	148,575	150,289	-	31	150,289	-																						
Dec-17	\$ 3.0505	\$ 2.9755	265,334	-	1,327	266,661	(85,750)	180,911	182,997	-	31	182,997	-																						
			3,990,134	-	19,951	4,010,085	230,125	4,240,210	4,288,564	1,057,946		4,288,564	-																						

MERC Base Cost of Gas  
AL Gas Commodity Costs

NOTES:	Demarc Capacity times Demarc Price	Ventura Capacity times Ventura Price	Requirement Total Cost	Flowing gas cost (remove storage injection)	Cost of gas injected into storage	Gas withdrawals priced at storage WACOG	Flowing gas plus gas withdrawn from storage	Total cost divided by Net Sales	Total requirement times Commodity Surcharge	Total requirement times ACA Surcharge	Storage Inj/WD times Storage Surcharge	Total Volumetric cost divided by total requirement		
Date	Demarc Cost	Ventura Cost	Requirement Total Cost	Total Flowing Gas Cost	Total NNG Storage Cost	Storage Gas Cost	Demand costs	Sales Gas Cost	Projected Gas Cost Per Unit	NNG Commodity Surcharge Cost	NNG ACA Surcharge Cost	NNG Storage Inj/WD Cost	Total Volumetric Cost	Projected Volumetric cost per unit
May-15	\$ 166,558	\$ -	\$ 166,558	\$ 166,558	\$ -	\$ -	\$ 14,112	\$ 180,670	\$ 2.6281	\$ 2,550	\$ 97	\$ -	\$ 2,647	\$ 0.0383
Jun-15	\$ 276,209	\$ -	\$ 276,209	\$ 82,343	\$ 193,866	\$ -	\$ 39,081	\$ 121,424	\$ 4.1213	\$ 3,666	\$ 139	\$ 1,023	\$ 4,828	\$ 0.0486
Jul-15	\$ 242,717	\$ -	\$ 242,717	\$ 50,314	\$ 192,402	\$ -	\$ 39,081	\$ 89,395	\$ 4.7691	\$ 3,354	\$ 127	\$ 1,057	\$ 4,538	\$ 0.0499
Aug-15	\$ 256,730	\$ -	\$ 256,730	\$ 54,960	\$ 201,770	\$ -	\$ 39,081	\$ 94,040	\$ 4.8165	\$ 3,383	\$ 128	\$ 1,057	\$ 4,568	\$ 0.0498
Sep-15	\$ 305,918	\$ -	\$ 305,918	\$ 120,421	\$ 185,497	\$ -	\$ 39,081	\$ 159,502	\$ 3.5420	\$ 4,244	\$ 161	\$ 1,023	\$ 5,427	\$ 0.0472
Oct-15	\$ 476,065	\$ -	\$ 476,065	\$ 286,542	\$ 189,522	\$ -	\$ 39,081	\$ 325,623	\$ 3.0046	\$ 6,679	\$ 253	\$ 1,057	\$ 7,989	\$ 0.0441
Nov-15	\$ 335,724	\$ -	\$ 335,724	\$ 335,724	\$ -	\$ 93,898	\$ 14,112	\$ 443,734	\$ 2.4342	\$ 5,530	\$ 210	\$ 508	\$ 6,249	\$ 0.0417
Dec-15	\$ 421,316	\$ -	\$ 421,316	\$ 421,316	\$ -	\$ 235,949	\$ 14,112	\$ 671,377	\$ 2.5234	\$ 6,730	\$ 255	\$ 1,278	\$ 8,263	\$ 0.0453
Jan-16	\$ 525,538	\$ -	\$ 525,538	\$ 525,538	\$ -	\$ 235,949	\$ 14,112	\$ 775,599	\$ 2.6043	\$ 7,915	\$ 300	\$ 1,278	\$ 9,493	\$ 0.0443
Feb-16	\$ 402,511	\$ -	\$ 402,511	\$ 402,511	\$ -	\$ 235,949	\$ 14,112	\$ 652,572	\$ 2.5146	\$ 6,486	\$ 246	\$ 1,278	\$ 8,010	\$ 0.0456
Mar-16	\$ 295,523	\$ -	\$ 295,523	\$ 295,523	\$ -	\$ 93,898	\$ 14,112	\$ 403,533	\$ 1.9011	\$ 6,649	\$ 252	\$ 508	\$ 7,410	\$ 0.0411
Apr-16	\$ 189,794	\$ -	\$ 189,794	\$ 189,794	\$ -	\$ 67,414	\$ 14,112	\$ 271,319	\$ 2.0942	\$ 3,921	\$ 149	\$ 365	\$ 4,435	\$ 0.0417
May-16	\$ 123,882	\$ -	\$ 123,882	\$ 123,882	\$ -	\$ -	\$ 14,112	\$ 137,994	\$ 2.0073	\$ 2,550	\$ 97	\$ -	\$ 2,647	\$ 0.0383
Jun-16	\$ 185,745	\$ -	\$ 185,745	\$ 57,447	\$ 128,298	\$ -	\$ 39,081	\$ 96,528	\$ 3.2763	\$ 3,666	\$ 139	\$ 1,023	\$ 4,828	\$ 0.0486
Jul-16	\$ 183,411	\$ -	\$ 183,411	\$ 40,340	\$ 143,071	\$ -	\$ 39,081	\$ 79,421	\$ 4.2359	\$ 3,355	\$ 127	\$ 1,057	\$ 4,538	\$ 0.0499
Aug-16	\$ 189,952	\$ -	\$ 189,952	\$ 43,052	\$ 146,900	\$ -	\$ 39,081	\$ 82,133	\$ 4.2048	\$ 3,384	\$ 128	\$ 1,057	\$ 4,569	\$ 0.0498
Sep-16	\$ 239,195	\$ -	\$ 239,195	\$ 96,520	\$ 142,675	\$ -	\$ 39,081	\$ 135,600	\$ 3.0082	\$ 4,245	\$ 161	\$ 1,023	\$ 5,429	\$ 0.0472
Oct-16	\$ 386,413	\$ -	\$ 386,413	\$ 232,705	\$ 153,708	\$ -	\$ 39,081	\$ 271,785	\$ 2.5045	\$ 6,685	\$ 254	\$ 1,057	\$ 7,995	\$ 0.0441
Nov-16	\$ 369,285	\$ -	\$ 369,285	\$ 369,285	\$ -	\$ 69,679	\$ 14,112	\$ 453,075	\$ 2.4818	\$ 5,540	\$ 210	\$ 508	\$ 6,259	\$ 0.0417
Dec-16	\$ 496,504	\$ -	\$ 496,504	\$ 496,504	\$ -	\$ 175,090	\$ 14,112	\$ 685,705	\$ 2.5733	\$ 6,746	\$ 256	\$ 1,278	\$ 8,279	\$ 0.0453
Jan-17	\$ 630,837	\$ -	\$ 630,837	\$ 630,837	\$ -	\$ 175,090	\$ 14,112	\$ 820,039	\$ 2.7520	\$ 7,922	\$ 301	\$ 1,278	\$ 9,500	\$ 0.0443
Feb-17	\$ 505,076	\$ -	\$ 505,076	\$ 505,076	\$ -	\$ 175,090	\$ 14,112	\$ 694,278	\$ 2.7326	\$ 6,283	\$ 238	\$ 1,278	\$ 7,799	\$ 0.0458
Mar-17	\$ 505,807	\$ -	\$ 505,807	\$ 505,807	\$ -	\$ 69,679	\$ 14,112	\$ 589,597	\$ 2.7764	\$ 6,653	\$ 252	\$ 508	\$ 7,414	\$ 0.0411
Apr-17	\$ 264,759	\$ -	\$ 264,759	\$ 264,759	\$ -	\$ 50,026	\$ 14,112	\$ 328,897	\$ 2.5379	\$ 3,923	\$ 149	\$ 365	\$ 4,437	\$ 0.0417
May-17	\$ 165,765	\$ -	\$ 165,765	\$ 165,765	\$ -	\$ -	\$ 14,112	\$ 179,876	\$ 2.6160	\$ 2,551	\$ 97	\$ -	\$ 2,648	\$ 0.0383
Jun-17	\$ 239,785	\$ -	\$ 239,785	\$ 74,154	\$ 165,631	\$ -	\$ 39,081	\$ 113,235	\$ 3.8438	\$ 3,666	\$ 139	\$ 1,023	\$ 4,828	\$ 0.0486
Jul-17	\$ 228,049	\$ -	\$ 228,049	\$ 50,158	\$ 177,890	\$ -	\$ 39,081	\$ 89,239	\$ 4.7595	\$ 3,355	\$ 127	\$ 1,057	\$ 4,538	\$ 0.0499
Aug-17	\$ 228,014	\$ -	\$ 228,014	\$ 51,684	\$ 176,330	\$ -	\$ 39,081	\$ 90,765	\$ 4.6460	\$ 3,384	\$ 128	\$ 1,057	\$ 4,569	\$ 0.0498
Sep-17	\$ 288,454	\$ -	\$ 288,454	\$ 116,440	\$ 172,014	\$ -	\$ 39,081	\$ 155,521	\$ 3.4479	\$ 4,247	\$ 161	\$ 1,023	\$ 5,430	\$ 0.0472
Oct-17	\$ 455,373	\$ -	\$ 455,373	\$ 274,318	\$ 181,055	\$ -	\$ 39,081	\$ 313,398	\$ 2.8857	\$ 6,688	\$ 254	\$ 1,057	\$ 7,998	\$ 0.0441
Nov-17	\$ 425,167	\$ -	\$ 425,167	\$ 425,167	\$ -	\$ 85,110	\$ 14,112	\$ 524,388	\$ 2.8702	\$ 5,546	\$ 210	\$ 508	\$ 6,265	\$ 0.0417
Dec-17	\$ 544,507	\$ -	\$ 544,507	\$ 544,507	\$ -	\$ 213,865	\$ 14,112	\$ 772,485	\$ 2.8969	\$ 6,753	\$ 256	\$ 1,278	\$ 8,286	\$ 0.0453
	\$ 10,550,583	\$ -	\$ 10,550,583	\$ 7,999,952	\$ 2,550,631	\$ 1,976,686	\$ 826,108	\$ 10,802,746		\$ 158,248	\$ 6,004	\$ 27,861	\$ 192,113	\$ 0.0448

MERC Base Cost of Gas  
Total Cost Summary

	NNG					CONSOLIDATED				
	Gas Cost	Volumetric Cost	Demand Cost	Hedging Cost	Total Cost	Gas Cost	Volumetric Cost	Demand Cost	Hedging Cost	Total Cost
May-15	\$ 2,637,869	\$ 17,256	\$ 574,757	\$ -	\$ 3,229,882	\$ 337,732	\$ 526	\$ 225,383	\$ -	\$ 563,641
Jun-15	\$ 2,931,757	\$ 24,971	\$ 574,757	\$ -	\$ 3,531,485	\$ 306,186	\$ 450	\$ 225,382	\$ -	\$ 532,018
Jul-15	\$ 2,978,370	\$ 74,552	\$ 574,757	\$ -	\$ 3,627,679	\$ 309,264	\$ 455	\$ 225,382	\$ -	\$ 535,101
Aug-15	\$ 2,997,844	\$ 74,495	\$ 574,757	\$ -	\$ 3,647,095	\$ 319,346	\$ 467	\$ 225,382	\$ -	\$ 545,196
Sep-15	\$ 3,806,291	\$ 85,281	\$ 574,757	\$ -	\$ 4,466,329	\$ 543,516	\$ 1,023	\$ 225,382	\$ -	\$ 769,921
Oct-15	\$ 6,198,060	\$ 121,544	\$ 586,123	\$ -	\$ 6,905,727	\$ 1,029,248	\$ 2,258	\$ 225,382	\$ -	\$ 1,256,888
Nov-15	\$ 8,059,909	\$ 91,290	\$ 3,344,672	\$ 146,000	\$ 11,641,871	\$ 1,555,553	\$ 3,798	\$ 253,241	\$ 34,000	\$ 1,846,592
Dec-15	\$ 12,130,406	\$ 125,589	\$ 3,344,672	\$ 292,500	\$ 15,893,167	\$ 2,544,767	\$ 5,625	\$ 256,972	\$ 65,000	\$ 2,872,364
Jan-16	\$ 13,072,664	\$ 143,922	\$ 3,344,672	\$ 393,000	\$ 16,954,258	\$ 3,120,164	\$ 6,588	\$ 344,319	\$ 93,000	\$ 3,564,071
Feb-16	\$ 11,548,275	\$ 120,578	\$ 3,344,672	\$ 423,500	\$ 15,437,024	\$ 2,525,265	\$ 5,999	\$ 344,319	\$ 94,500	\$ 2,970,083
Mar-16	\$ 7,754,784	\$ 112,918	\$ 3,344,672	\$ 412,000	\$ 11,624,373	\$ 1,617,231	\$ 5,003	\$ 339,520	\$ 92,000	\$ 2,053,754
Apr-16	\$ 5,710,856	\$ 69,463	\$ 586,123	\$ -	\$ 6,366,442	\$ 1,086,343	\$ 3,129	\$ 325,171	\$ -	\$ 1,414,644
May-16	\$ 3,713,864	\$ 44,224	\$ 574,757	\$ -	\$ 4,332,845	\$ 545,455	\$ 1,795	\$ 325,171	\$ -	\$ 872,421
Jun-16	\$ 2,957,626	\$ 78,582	\$ 574,757	\$ -	\$ 3,610,964	\$ 310,785	\$ 802	\$ 325,171	\$ -	\$ 636,758
Jul-16	\$ 2,725,431	\$ 74,040	\$ 574,757	\$ -	\$ 3,374,227	\$ 216,974	\$ 441	\$ 325,171	\$ -	\$ 542,586
Aug-16	\$ 2,732,010	\$ 73,761	\$ 574,757	\$ -	\$ 3,380,529	\$ 226,693	\$ 463	\$ 325,171	\$ -	\$ 552,326
Sep-16	\$ 3,528,524	\$ 86,589	\$ 574,757	\$ -	\$ 4,189,870	\$ 387,757	\$ 1,023	\$ 325,171	\$ -	\$ 713,952
Oct-16	\$ 5,627,686	\$ 124,844	\$ 586,123	\$ -	\$ 6,338,653	\$ 748,583	\$ 2,253	\$ 325,171	\$ -	\$ 1,076,007
Nov-16	\$ 8,427,233	\$ 95,982	\$ 3,344,672	\$ 146,000	\$ 12,013,887	\$ 1,571,131	\$ 3,832	\$ 339,520	\$ 34,000	\$ 1,948,484
Dec-16	\$ 12,153,681	\$ 124,590	\$ 3,344,672	\$ 292,500	\$ 15,915,443	\$ 2,491,202	\$ 5,607	\$ 344,319	\$ 65,000	\$ 2,906,128
Jan-17	\$ 14,353,309	\$ 143,925	\$ 3,344,672	\$ 393,000	\$ 18,234,906	\$ 3,006,882	\$ 6,566	\$ 256,972	\$ 93,000	\$ 3,363,420
Feb-17	\$ 12,181,641	\$ 118,483	\$ 3,344,672	\$ 423,500	\$ 16,068,296	\$ 2,605,560	\$ 5,869	\$ 256,972	\$ 94,500	\$ 2,962,902
Mar-17	\$ 10,464,928	\$ 114,088	\$ 3,344,672	\$ 412,000	\$ 14,335,688	\$ 2,227,324	\$ 4,985	\$ 253,241	\$ 92,000	\$ 2,577,551
Apr-17	\$ 6,558,324	\$ 70,201	\$ 586,123	\$ -	\$ 7,214,648	\$ 1,188,050	\$ 3,096	\$ 225,382	\$ -	\$ 1,416,528
May-17	\$ 4,449,289	\$ 44,651	\$ 574,757	\$ -	\$ 5,068,698	\$ 760,295	\$ 1,794	\$ 225,382	\$ -	\$ 987,471
Jun-17	\$ 3,265,439	\$ 78,807	\$ 574,757	\$ -	\$ 3,919,003	\$ 409,577	\$ 809	\$ 225,382	\$ -	\$ 635,768
Jul-17	\$ 2,924,085	\$ 74,214	\$ 574,757	\$ -	\$ 3,573,055	\$ 269,977	\$ 443	\$ 225,382	\$ -	\$ 495,802
Aug-17	\$ 2,900,690	\$ 73,935	\$ 574,757	\$ -	\$ 3,549,381	\$ 283,153	\$ 469	\$ 225,382	\$ -	\$ 509,004
Sep-17	\$ 3,857,174	\$ 86,898	\$ 574,757	\$ -	\$ 4,518,829	\$ 485,440	\$ 1,029	\$ 225,382	\$ -	\$ 711,851
Oct-17	\$ 6,221,507	\$ 125,490	\$ 586,123	\$ -	\$ 6,933,120	\$ 933,170	\$ 2,250	\$ 225,382	\$ -	\$ 1,160,802
Nov-17	\$ 9,674,366	\$ 97,027	\$ 3,344,672	\$ 146,000	\$ 13,262,065	\$ 1,809,750	\$ 3,852	\$ 253,241	\$ 34,000	\$ 2,100,843
Dec-17	\$ 10,028,452	\$ 126,074	\$ 3,344,672	\$ 292,500	\$ 13,791,698	\$ 2,795,968	\$ 5,617	\$ 256,972	\$ 65,000	\$ 3,123,557
<b>Total</b>	<b>\$ 208,572,343</b>	<b>\$ 2,918,263</b>	<b>\$ 51,688,027</b>	<b>\$ 3,772,500</b>	<b>\$ 266,951,133</b>	<b>\$ 38,568,338</b>	<b>\$ 88,315</b>	<b>\$ 8,705,782</b>	<b>\$ 856,000</b>	<b>\$ 48,218,435</b>
<b>Year 1</b>	<b>\$ 41,740,506</b>	<b>\$ 614,978</b>	<b>\$ 10,149,250</b>	<b>\$ 438,500</b>	<b>\$ 52,943,234</b>	<b>\$ 6,945,610</b>	<b>\$ 14,602</b>	<b>\$ 1,862,509</b>	<b>\$ 99,000</b>	<b>\$ 8,921,721</b>
<b>Year 2</b>	<b>\$ 79,952,632</b>	<b>\$ 1,149,493</b>	<b>\$ 20,769,388</b>	<b>\$ 1,667,000</b>	<b>\$ 103,538,513</b>	<b>\$ 14,847,582</b>	<b>\$ 36,935</b>	<b>\$ 3,988,197</b>	<b>\$ 378,500</b>	<b>\$ 19,251,214</b>
<b>Year 3</b>	<b>\$ 86,879,204</b>	<b>\$ 1,153,792</b>	<b>\$ 20,769,388</b>	<b>\$ 1,667,000</b>	<b>\$ 110,469,385</b>	<b>\$ 16,775,145</b>	<b>\$ 36,778</b>	<b>\$ 2,855,076</b>	<b>\$ 378,500</b>	<b>\$ 20,045,500</b>

MERC Base Cost of Gas  
Total Cost Summary

	AL					TOTAL				
	Gas Cost	Volumetric Cost	Demand Cost	Hedging Cost	Total Cost	Gas Cost	Volumetric Cost	Demand Cost	Hedging Cost	Total Cost
May-15	\$ 180,670	\$ 2,647	\$ 128,849	\$ -	\$ 312,167	\$ 3,156,271	\$ 20,429	\$ 928,989	\$ -	\$ 4,105,689
Jun-15	\$ 121,424	\$ 4,828	\$ 128,849	\$ -	\$ 255,101	\$ 3,359,367	\$ 30,249	\$ 928,988	\$ -	\$ 4,318,604
Jul-15	\$ 89,395	\$ 4,538	\$ 128,849	\$ -	\$ 222,782	\$ 3,377,029	\$ 79,545	\$ 928,988	\$ -	\$ 4,385,562
Aug-15	\$ 94,040	\$ 4,568	\$ 128,849	\$ -	\$ 227,458	\$ 3,411,230	\$ 79,530	\$ 928,988	\$ -	\$ 4,419,749
Sep-15	\$ 159,502	\$ 5,427	\$ 128,849	\$ -	\$ 293,778	\$ 4,509,308	\$ 91,732	\$ 928,988	\$ -	\$ 5,530,028
Oct-15	\$ 325,623	\$ 7,989	\$ 128,849	\$ -	\$ 462,461	\$ 7,552,930	\$ 131,792	\$ 940,354	\$ -	\$ 8,625,077
Nov-15	\$ 443,734	\$ 6,249	\$ 188,894	\$ 12,000	\$ 650,876	\$ 10,059,196	\$ 101,336	\$ 3,786,807	\$ 192,000	\$ 14,139,339
Dec-15	\$ 671,377	\$ 8,263	\$ 188,892	\$ 20,000	\$ 888,532	\$ 15,346,550	\$ 139,477	\$ 3,790,536	\$ 377,500	\$ 19,654,063
Jan-16	\$ 775,599	\$ 9,493	\$ 191,453	\$ 27,000	\$ 1,003,545	\$ 16,968,426	\$ 160,003	\$ 3,880,444	\$ 513,000	\$ 21,521,874
Feb-16	\$ 652,572	\$ 8,010	\$ 191,453	\$ 28,000	\$ 880,035	\$ 14,726,111	\$ 134,586	\$ 3,880,444	\$ 546,000	\$ 19,287,141
Mar-16	\$ 403,533	\$ 7,410	\$ 191,453	\$ 28,000	\$ 630,396	\$ 9,775,548	\$ 125,330	\$ 3,875,646	\$ 532,000	\$ 14,308,524
Apr-16	\$ 271,319	\$ 4,435	\$ 53,380	\$ -	\$ 329,135	\$ 7,068,519	\$ 77,028	\$ 964,674	\$ -	\$ 8,110,221
May-16	\$ 137,994	\$ 2,647	\$ 53,380	\$ -	\$ 194,021	\$ 4,397,313	\$ 48,666	\$ 953,308	\$ -	\$ 5,399,287
Jun-16	\$ 96,528	\$ 4,828	\$ 53,380	\$ -	\$ 154,736	\$ 3,364,939	\$ 84,212	\$ 953,308	\$ -	\$ 4,402,459
Jul-16	\$ 79,421	\$ 4,538	\$ 53,380	\$ -	\$ 137,340	\$ 3,021,825	\$ 79,019	\$ 953,308	\$ -	\$ 4,054,153
Aug-16	\$ 82,133	\$ 4,569	\$ 53,380	\$ -	\$ 140,082	\$ 3,040,835	\$ 78,793	\$ 953,308	\$ -	\$ 4,072,937
Sep-16	\$ 135,600	\$ 5,429	\$ 53,380	\$ -	\$ 194,410	\$ 4,051,881	\$ 93,042	\$ 953,308	\$ -	\$ 5,098,231
Oct-16	\$ 271,785	\$ 7,995	\$ 53,380	\$ -	\$ 333,161	\$ 6,648,054	\$ 135,092	\$ 964,674	\$ -	\$ 7,747,820
Nov-16	\$ 453,075	\$ 6,259	\$ 191,453	\$ 12,000	\$ 662,788	\$ 10,451,440	\$ 106,073	\$ 3,875,646	\$ 192,000	\$ 14,625,158
Dec-16	\$ 685,705	\$ 8,279	\$ 191,453	\$ 20,000	\$ 905,438	\$ 15,330,588	\$ 138,476	\$ 3,880,444	\$ 377,500	\$ 19,727,008
Jan-17	\$ 820,039	\$ 9,500	\$ 188,892	\$ 27,000	\$ 1,045,431	\$ 18,180,229	\$ 159,991	\$ 3,790,536	\$ 513,000	\$ 22,643,757
Feb-17	\$ 694,278	\$ 7,799	\$ 188,892	\$ 28,000	\$ 918,969	\$ 15,481,479	\$ 132,151	\$ 3,790,536	\$ 546,000	\$ 19,950,166
Mar-17	\$ 589,597	\$ 7,414	\$ 188,892	\$ 28,000	\$ 813,903	\$ 13,281,850	\$ 126,487	\$ 3,786,806	\$ 532,000	\$ 17,727,142
Apr-17	\$ 328,897	\$ 4,437	\$ 128,849	\$ -	\$ 462,182	\$ 8,075,271	\$ 77,734	\$ 940,354	\$ -	\$ 9,093,359
May-17	\$ 179,876	\$ 2,648	\$ 128,849	\$ -	\$ 311,373	\$ 5,389,461	\$ 49,093	\$ 928,988	\$ -	\$ 6,367,542
Jun-17	\$ 113,235	\$ 4,828	\$ 128,849	\$ -	\$ 246,911	\$ 3,788,251	\$ 84,443	\$ 928,988	\$ -	\$ 4,801,682
Jul-17	\$ 89,239	\$ 4,538	\$ 128,849	\$ -	\$ 222,627	\$ 3,283,301	\$ 79,195	\$ 928,988	\$ -	\$ 4,291,483
Aug-17	\$ 90,765	\$ 4,569	\$ 128,849	\$ -	\$ 224,183	\$ 3,274,608	\$ 78,972	\$ 928,988	\$ -	\$ 4,282,568
Sep-17	\$ 155,521	\$ 5,430	\$ 128,849	\$ -	\$ 289,800	\$ 4,498,135	\$ 93,357	\$ 928,988	\$ -	\$ 5,520,480
Oct-17	\$ 313,398	\$ 7,998	\$ 128,849	\$ -	\$ 450,246	\$ 7,468,075	\$ 135,739	\$ 940,354	\$ -	\$ 8,544,168
Nov-17	\$ 524,388	\$ 6,265	\$ 188,892	\$ 12,000	\$ 731,545	\$ 12,008,504	\$ 107,143	\$ 3,786,806	\$ 192,000	\$ 16,094,453
Dec-17	\$ 772,485	\$ 8,286	\$ 188,892	\$ 20,000	\$ 989,663	\$ 13,596,904	\$ 139,977	\$ 3,790,536	\$ 377,500	\$ 17,904,918
<b>Total</b>	<b>\$ 10,802,746</b>	<b>\$ 192,113</b>	<b>\$ 4,328,216</b>	<b>\$ 262,000</b>	<b>\$ 15,585,075</b>	<b>\$ 257,943,426</b>	<b>\$ 3,198,691</b>	<b>\$ 64,722,024</b>	<b>\$ 4,890,500</b>	<b>\$ 330,754,642</b>
<b>Year 1</b>	<b>\$ 2,085,765</b>	<b>\$ 44,510</b>	<b>\$ 1,150,880</b>	<b>\$ 32,000</b>	<b>\$ 3,313,155</b>	<b>\$ 50,771,881</b>	<b>\$ 674,090</b>	<b>\$ 13,162,639</b>	<b>\$ 569,500</b>	<b>\$ 65,178,111</b>
<b>Year 2</b>	<b>\$ 4,045,264</b>	<b>\$ 73,892</b>	<b>\$ 1,330,930</b>	<b>\$ 115,000</b>	<b>\$ 5,565,086</b>	<b>\$ 98,845,478</b>	<b>\$ 1,260,320</b>	<b>\$ 26,088,515</b>	<b>\$ 2,160,500</b>	<b>\$ 128,354,813</b>
<b>Year 3</b>	<b>\$ 4,671,717</b>	<b>\$ 73,711</b>	<b>\$ 1,846,405</b>	<b>\$ 115,000</b>	<b>\$ 6,706,833</b>	<b>\$ 108,326,067</b>	<b>\$ 1,264,282</b>	<b>\$ 25,470,870</b>	<b>\$ 2,160,500</b>	<b>\$ 137,221,718</b>

**MERC Base Cost of Gas  
Total Cost Summary**

NNG & AL						
	Gas Cost	Volumetric Cost	Demand Cost	Hedging Cost	Total Cost	
May-15	\$ 2,818,539	\$ 19,903	\$ 703,606	\$ -	\$ 3,542,048	
Jun-15	\$ 3,053,181	\$ 29,799	\$ 703,606	\$ -	\$ 3,786,586	
Jul-15	\$ 3,067,765	\$ 79,090	\$ 703,606	\$ -	\$ 3,850,461	
Aug-15	\$ 3,091,884	\$ 79,063	\$ 703,606	\$ -	\$ 3,874,553	
Sep-15	\$ 3,965,793	\$ 90,709	\$ 703,606	\$ -	\$ 4,760,107	
Oct-15	\$ 6,523,683	\$ 129,534	\$ 714,972	\$ -	\$ 7,368,188	
Nov-15	\$ 8,503,643	\$ 97,539	\$ 3,533,565	\$ 158,000	\$ 12,292,747	
Dec-15	\$ 12,801,783	\$ 133,852	\$ 3,533,564	\$ 312,500	\$ 16,781,699	
Jan-16	\$ 13,848,262	\$ 153,415	\$ 3,536,125	\$ 420,000	\$ 17,957,803	
Feb-16	\$ 12,200,846	\$ 128,587	\$ 3,536,125	\$ 451,500	\$ 16,317,059	
Mar-16	\$ 8,158,317	\$ 120,328	\$ 3,536,125	\$ 440,000	\$ 12,254,770	
Apr-16	\$ 5,982,175	\$ 73,899	\$ 639,503	\$ -	\$ 6,695,577	
May-16	\$ 3,851,858	\$ 46,871	\$ 628,137	\$ -	\$ 4,526,866	
Jun-16	\$ 3,054,154	\$ 83,410	\$ 628,137	\$ -	\$ 3,765,701	
Jul-16	\$ 2,804,851	\$ 78,578	\$ 628,137	\$ -	\$ 3,511,567	
Aug-16	\$ 2,814,143	\$ 78,330	\$ 628,137	\$ -	\$ 3,520,610	
Sep-16	\$ 3,664,124	\$ 92,018	\$ 628,137	\$ -	\$ 4,384,279	
Oct-16	\$ 5,899,471	\$ 132,839	\$ 639,503	\$ -	\$ 6,671,814	
Nov-16	\$ 8,880,308	\$ 102,241	\$ 3,536,125	\$ 158,000	\$ 12,676,674	
Dec-16	\$ 12,839,386	\$ 132,869	\$ 3,536,125	\$ 312,500	\$ 16,820,881	
Jan-17	\$ 15,173,348	\$ 153,425	\$ 3,533,564	\$ 420,000	\$ 19,280,337	
Feb-17	\$ 12,875,919	\$ 126,282	\$ 3,533,564	\$ 451,500	\$ 16,987,265	
Mar-17	\$ 11,054,525	\$ 121,502	\$ 3,533,564	\$ 440,000	\$ 15,149,591	
Apr-17	\$ 6,887,221	\$ 74,637	\$ 714,972	\$ -	\$ 7,676,830	
May-17	\$ 4,629,166	\$ 47,299	\$ 703,606	\$ -	\$ 5,380,071	
Jun-17	\$ 3,378,674	\$ 83,634	\$ 703,606	\$ -	\$ 4,165,914	
Jul-17	\$ 3,013,324	\$ 78,752	\$ 703,606	\$ -	\$ 3,795,682	
Aug-17	\$ 2,991,455	\$ 78,503	\$ 703,606	\$ -	\$ 3,773,564	
Sep-17	\$ 4,012,695	\$ 92,328	\$ 703,606	\$ -	\$ 4,808,629	
Oct-17	\$ 6,534,905	\$ 133,488	\$ 714,972	\$ -	\$ 7,383,365	
Nov-17	\$ 10,198,754	\$ 103,292	\$ 3,533,564	\$ 158,000	\$ 13,993,610	
Dec-17	\$ 10,800,937	\$ 134,361	\$ 3,533,564	\$ 312,500	\$ 14,781,361	
<b>Total</b>	<b>\$ 219,375,089</b>	<b>\$ 3,110,376</b>	<b>\$ 56,016,242</b>	<b>\$ 4,034,500</b>	<b>\$ 282,536,207</b>	
<b>Year 1</b>	<b>\$ 43,826,271</b>	<b>\$ 659,488</b>	<b>\$ 11,300,131</b>	<b>\$ 470,500</b>	<b>\$ 56,256,390</b>	
<b>Year 2</b>	<b>\$ 83,997,896</b>	<b>\$ 1,223,385</b>	<b>\$ 22,100,318</b>	<b>\$ 1,782,000</b>	<b>\$ 109,103,600</b>	
<b>Year 3</b>	<b>\$ 91,550,922</b>	<b>\$ 1,227,503</b>	<b>\$ 22,615,793</b>	<b>\$ 1,782,000</b>	<b>\$ 117,176,218</b>	











**MINNESOTA ENERGY RESOURCES CORPORATION**  
**MERC-NNG**  
**MERC-Consolidated**  
**MERC-Albert Lea**

**MINNESOTA PUBLIC UTILITIES COMMISSION**  
**###th Revised Sheet No. 7.07**  
**Superceding ###th Revised Sheet No. 7.07**

As proposed in Docket No. G011/MR-15-748										
Per Therm										
Rates Subject to Fuel Adjustment Clause										
(A)	(B)	(C)	(D)	(A+B+C)	(D+E)	(G)	(D-G+D)	(E+G)	(E+H)	
Base Gas Cost**	PGA Adjustment	Annual ACA Adjustment	Tariff Margin	Total Tariff Rate w/o Margin	Total Tariff Rate	Minimum Flex Margin	Maximum Flex Margin	Minimum Total Flex Tariff	Maximum Total Flex Tariff	
<u>Small Volume Interruptible</u>										
SVI-NNG	0.32661	0.00000	0.00000	0.09740	0.32661	0.42401	0.00450	0.19030	0.33111	0.51691
SVI-Consolidated	0.26791	0.00000	0.00000	0.09740	0.26791	0.36531	0.00450	0.19030	0.27241	0.45821
SVI-Albert Lea	0.25975	0.00000	0.00000	0.09740	0.25975	0.35715				
<u>Large Volume Interruptible</u>										
LVI-NNG	0.32661	0.00000	0.00000	0.05329	0.32661	0.37990	0.00450	0.10208	0.33111	0.42869
LVI-Consolidated	0.26791	0.00000	0.00000	0.05329	0.26791	0.32120	0.00450	0.10208	0.27241	0.36999
LVI-Albert Lea	0.25975	0.00000	0.00000	0.05329	0.25975	0.31304				
<u>Daily Firm Capacity-Small Volume</u>										
SVJ-NNG*	0.09226	0.00000	0.00000	0.01000	0.09226	0.10226	0.00000	0.02000	0.09226	0.11226
SVJ-Consolidated	0.07996	0.00000	0.00000	0.01000	0.07996	0.08996	0.00000	0.02000	0.07996	0.09996
SVJ-Albert Lea	0.10379	0.00000	0.00000	0.01000	0.10379	0.11379				
<u>Daily Firm Capacity-Large Volume</u>										
LVJ-NNG*	0.09226	0.00000	0.00000	0.01000	0.09226	0.10226	0.00000	0.02000	0.09226	0.11226
LVJ-Consolidated	0.07996	0.00000	0.00000	0.01000	0.07996	0.08996	0.00000	0.02000	0.07996	0.09996
LVJ-Albert Lea	0.10379	0.00000	0.00000	0.01000	0.10379	0.11379				
<u>Super Large Volume</u>										
S-LV-NNG-Commodity	0.32661	0.00000	0.00000	0.03215	0.32661	0.35876	0.00450	0.05980	0.33111	0.38641
S-LV-NNG-Daily Firm Capacity*	0.09226	0.00000	0.00000	0.00207	0.09226	0.09433	0.00000	0.00413	0.09226	0.09639

\*If customer prefers to be a Transportation only customer, the Base Gas Cost Component of Firm Transportation is the NNG TF12 Base

\*\*Base Gas Cost as approved in Docket No. G011/MR-15-748 for NNG , NNG AL, & Consolidated PGA systems.

Issued by: T. T. Eidukas  
 Vice-President  
 Submitted Date: ###/###/###

Effective Date: ###/###/###

MNM1116

**Schedule E**  
Rate Riders and Charges

Other Rate Riders and Charges In Effect and Continuing

The following Schedule E lists each rate rider, along with the rate mechanism, whether or not it is an optional rate, and the rate rider factor in effect at the time of final rates, April 1, 2015. The rates listed are those which have been approved by the Commission and which are currently in effect.

<b>Rate Rider or Charge</b>	<b>Type of Charge</b>	<b>Optional to Customer?</b>	<b>Effective Rate February 1, 2017</b>
Conservation Cost Recovery Charge (CCRC)	Base Rates	No, unless granted exemption	\$0.02767/therm
Conservation Cost Recovery Adjustment Factor (CCRA)	Surcharge	No, unless granted exemption	\$0.00750/therm
Purchased Gas Adjustment (PGA)	Base Rates	No	Updated monthly
Gas Affordability Service Program Surcharge	Surcharge	No	\$0.0000/therm
New Area Surcharge Rider	Surcharge	Yes	Varies by area; See Tariff Sheet No. 9.17 for current NAS
Franchise Fees	Community Imposed Surcharge	No	Varies by community; See Tariff pages 8.21a-8.21d.
Revenue Decoupling Mechanism	Surcharge/Refund	No (applicable to all Residential and Small Commercial/Industrial General Service Customers)	\$0.02022/therm-Residential \$0.01234/therm-SC&I

**Schedule F**

Conservation Cost Recovery Charge Calculation

**Minnesota Energy Resources Corporation  
Calculation of Proposed CCRC Factor for 2016 Test Year**

<b>Line No.</b>	<b>Description</b>	<b>2016</b>
1	CIP Expense	\$ 11,280,537
2	Sales (Minnesota only)	745,849,120
3	Opt-out customers	338,227,733
4	CCRC applicable Sales	407,621,387
5	Requested CCRC Factor (\$/therm) for Interim and Final Rates	\$ 0.02767



**Schedule G**  
CIP Tracker

Minnesota Energy Resources  
CIP Tracker Balance Calculation  
As of 10/31/2016

	PY Ending Balance	January	February	March	April	May	June	July	August	September	October	November	December	CY Total
Beginning Balance														
1. (excl. carry cost through July 2015)		1,269,151.31	(541,536.53)	(2,393,993.30)	(3,648,817.58)	(4,272,632.08)	(4,913,990.33)	(4,454,917.30)	(4,570,025.56)	(945,706.06)	(275,622.51)	-	-	1,269,151.31
Acquired IPL tracker balance														-
2. Expenses		380,833.88	545,222.55	726,199.10	710,001.08	444,530.60	1,103,317.34	194,958.12	696,513.66	1,105,221.05	397,556.69			6,304,354.07
3. Recoveries		(2,278,122.09)	(2,393,622.40)	(1,974,840.01)	(1,326,575.08)	(1,077,561.49)	(636,694.90)	(302,321.91)	(462,592.55)	(434,670.42)	(581,561.71)	-	-	(11,468,562.56)
One-Time Adjustment*		87,518.07												87,518.07
4. Incentives									3,392,001.00					3,392,001.00
Subtotal Balance														
5. Line 1+2-3+4		(540,618.83)	(2,389,936.38)	(3,642,634.20)	(4,265,391.57)	(4,905,662.97)	(4,447,367.89)	(4,562,281.09)	(944,103.45)	(275,155.44)	(459,627.53)	-	-	(415,538.11)
Monthly Carry Cost **														
6. (Line 5 x .00169750)		(917.70)	(4,056.92)	(6,183.37)	(7,240.50)	(8,327.36)	(7,549.41)	(7,744.47)	(1,602.62)	(467.08)	(780.22)	-	-	(44,869.64)
Ending Balance														
7 (Line 5+6)		1,269,151.31	(541,536.53)	(2,393,993.30)	(3,648,817.58)	(4,272,632.08)	(4,913,990.33)	(4,454,917.30)	(4,570,025.56)	(945,706.06)	(275,622.51)	-	-	(460,407.75)

\*Calculation reflects change in CCRA rate; however, actual billings do not. Therefore, calculated amount was adjusted.

\*\* Carry Cost charge set at 2.037% based on 2016 Rate Case verbal approval:

2.0370% annual rate  
12 months  
0.00169750 monthly rate

Effective in August 2015, carrying charges are based on the total net tracker balance inclusive of carrying charges

Minnesota Energy Resources  
**CCRC Recovery by Class (in therms)**  
As of 10/31/2016

CCRC:	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Gas Residential	29,271,452	34,766,458	23,958,200	18,449,572	9,251,336.30	5,570,550.00	2,609,838	2,897,572	3,012,265	4,308,822			134,096,065
Gas Small C&I	1,295,444	1,465,457	1,795,895	59,282	685,970.90	(35,574.00)	647,577	(227,024)	(196,760)	148,873			5,639,141
Gas Large C&I	15,476,765	17,793,026	15,068,532	8,115,130	7,879,822.40	4,089,800.70	(898,696)	2,429,786	2,029,882	3,218,706			75,202,753
Gas Large C&I Int.	4,450,033	4,093,323	3,813,441	992,433	5,711,040.70	1,932,967.30	316,599	2,135,747	1,114,328	2,288,684			26,848,596
Transport of Gas	12,143,018	7,886,196	9,777,457	8,829,788	6,084,576.00	5,972,653.40	5,648,500	5,500,548	6,008,083	6,047,077			73,897,896
Total Therms	62,636,711	66,004,460	54,413,524	36,446,205	29,612,746	17,530,397	8,323,818	12,736,629	11,967,798	16,012,162	-	-	315,684,451
CCRC rate *	0.02767	0.02767	0.02767	0.02767	0.02767	0.02767	0.02767	0.02767	0.02767	0.02767			0.02767
CCRC Recovery	\$ 1,733,157.80	\$ 1,826,343.41	\$ 1,505,622.22	\$ 1,008,466.49	\$ 819,384.69	\$ 485,066.10	\$ 230,320.04	\$ 352,422.52	\$ 331,148.97	\$ 443,056.51	\$ -	\$ -	\$ 8,734,988.76

\* CCRC Final rate effective Jan 1, 2016

Minnesota Energy Resources  
**CCRA Recovery by Class (in therms)**  
As of 10/31/2016

CCRA:	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Gas Residential	29,272,399	34,766,578	23,957,469	18,446,019	9,250,937.10	5,570,370	2,609,936	2,897,362	3,012,265	4,308,822			134,092,157
Gas Small C&I	1,309,406	1,465,457	1,795,895	59,259	685,970.90	(35,574)	647,576	(227,024)	(196,760)	148,873			5,653,079
Gas Large C&I	15,586,430	17,793,026	15,068,502	8,115,129	7,879,822.40	4,088,925	(898,696)	2,429,786	2,029,882	3,218,706			75,311,513
Gas Large C&I Int.	4,464,872	4,093,323	3,813,441	992,433	5,711,040.70	1,932,967	316,599	2,135,747	1,114,328	2,288,684			26,863,435
Transport of Gas	12,368,545	7,463,002	9,609,524	9,162,719	6,319,258	5,972,653	5,648,500	5,500,548	6,008,083	6,047,077			74,099,909
Total Therms	63,001,652	65,581,386	54,244,831	36,775,559	29,847,029	17,529,342	8,323,915	12,736,419	11,967,798	16,012,162	-	-	316,020,092
CCRA rate *	0.00865	0.00865	0.00865	0.00865	0.00865	0.00865	0.00865	0.00865	0.00865	0.00865			0.00865
CCRA Recovery	\$ 544,964.29	\$ 567,278.99	\$ 469,217.79	\$ 318,108.59	\$ 258,176.80	\$ 151,628.80	\$ 72,001.86	\$ 110,170.02	\$ 103,521.45	\$ 138,505.20	\$ -	\$ -	\$ 2,733,573.80

CCRA = Conservation Cost Recovery Adjustment

**Schedule H**  
Interim Rate Refund Proposal

## Refund Proposal

In compliance with the Minnesota Public Utilities Commission's ("Commission") October 31, 2016, Findings of Fact, Conclusions, and Order in Docket No. G011/GR-15-736, and in accordance with the Commission's January 12, 2016 Order Authorizing Donation of Certain Interim-Rate Refunds with Conditions in Docket No. G011/GR-13-617, Minnesota Energy Resources Corporation ("MERC" or the "Company") submits this proposal to make refunds of interim rates in Docket No. G011/GR-15-736.

Ordering paragraph 19.e. of the Commission's October 31, 2016 Order required that if final authorized rates are lower than interim rates, MERC shall file a proposal to make refunds of interim refunds, including interest to affected customers. Ordering Paragraph 4 of the Commission's January 12, 2016 Order required that MERC provide additional detail in its future interim-rate-refund proposals including: (1) a brief narrative that describes the refunding process and data, (2) steps taken to return amounts to inactive customers, and (3) a description of the steps MERC has taken, or is planning to take, to prevent the types of errors that occurred in MERC's interim-rate-refund process in Docket No. G011/GR-13-617. MERC provides this information below.

### 1. *Proposal to Make Refunds of Interim Rates*

MERC proposes to refund with interest the difference between MERC's interim annual revenue increase, and MERC's final annual revenue increase. On November 30, 2015, the Commission issued its Order Setting Interim Rates, and authorized an interim annual revenue increase of \$9,749,729 for service rendered on and after January 1, 2016. In its Order dated October 31, 2016, the Commission authorized a final annual revenue increase of \$6,775,462.

The difference between the interim annual revenue increase and the final annual revenue increase plus interest will be used to determine the base percentage amount to be refunded. The results, stated as a percentage of 29.54% will be applied to the interim amounts actually charged to customers. Interest at the average prime rate has been included in the refund calculation. Please note that the attached schedules are based on actual interim charge data through October 2016. MERC proposes to base the actual interim refund on the actual interim charges through implementation of final rates.

For every customer assessed interim charges, a refund will be calculated based on each customer's actual assessed interim charges multiplied by approximately 29.54% for MERC customers. Applicable franchise fees and sales taxes will be applied to the refund amount, as appropriate. Existing customers will receive a bill credit. Customers due a refund who are no longer CenterPoint Energy customers will receive a check if the refund amount is at greater than \$2.00. Unrefunded monies will be handled in accordance with Minn. Statute 345.34.

Additional detail regarding the proposed refund process and data are provided below and in the attached Schedule H-2.

*2. Description of Refunding Process and Data*

On a monthly basis, a report is generated that identifies the amount of interim revenue collected. This amount is then entered into the Refund Calculation spreadsheet in total, and Super Large Volume and FLEX customers, with the Refund Calculation spreadsheet calculating the difference between the total and the Super Large Volume and FLEX customer classes. This interim revenue is then multiplied by the ratio of final approved rates to the interim revenue approved which in this case is 29.04% ( $\$6,775,514 / \$9,548,088$ ). This generates the amount of interim revenues to be refunded pre-interest calculations. Interest is then applied to the rolling average balance of interim revenue to be refunded creating a total refund obligation consisting of the revenues collected to be refunded and interest on the refund. This refund obligation is then divided by the total interim revenue collected to create a refund rate which is then applied to the interim revenue distribution, customer, and daily firm capacity charges to create refund rates. Finally, the refund rates are applied to each specific customer account taking into consideration the specific therm usage, customer charges incurred, or daily firm capacity nominations incurred by that specific customer.

Existing customers will receive a bill credit. In accordance with the Commission's January 12, 2016, Order, MERC proposes not to issue refunds to any customers due a refund of less than \$2.00 who is no longer a customer of MERC. MERC proposes to donate those un-refunded amounts to the Salvation Army Northern Division for distribution to clients under the Minnesota HeatShare Program. This will permit the refund monies to help offset costs of low income customers.

Customers who have left MERC's system who are owed a refund of \$2.00 or greater will be sent a check for the refund amount owed to their forwarding address if one was provided upon termination of service. If a customer is owed a refund of \$2.00 or greater and did not provide a forwarding address upon leaving MERC's system, MERC will determine whether the customer has an active account at a different premise in order to apply the refund to that account. Any refund amounts owed to customers who have left MERC's system who MERC is unable to locate will be handled in accordance with Minnesota Statutes chapter 345. Customer checks that are sent out but are not cashed be handled in accordance with Minnesota Statutes chapter 345.

Minn. Stat. § 216B.16 subd. 3, requires MERC to commence the refund within 120 days from the date of the Commission's final order, not subject to rehearing or appeal. To comply with this requirement, interim rates will be terminated for service rendered after January 31, 2017, and final rates will be implemented on February 1, 2017. Under this schedule, final interim revenues would be available in late February 2017, enabling MERC to calculate the interim refund factor in March 2017, and commence the refund in April 2017. MERC will commence issuance of refunds with April 2017 bills, which is

within 120 days of implementation of final rates. As soon as practicable after the information becomes available, MERC will file a report showing the calculation of the total actual refund, including interest. The format of this report can be seen on page 3 of the attached Schedule H-2.

### *3. Steps Taken to Refund Inactive Customers*

Upon termination of service when a customer leaves MERC's system, MERC requests that the customer provide a forwarding address. For customers who choose to provide a forwarding address, MERC will mail a check to the address provided for the refund amount owed, if that amount is \$2.00 or greater. If the check is returned, MERC treats that uncashed check in accordance with Minn. Stat. § 345.34.

Many customers decline to provide a forwarding address. If MERC is unable to locate a current address for a former customer, MERC will treat those un-refunded amounts in accordance with Minnesota Statutes Chapter 345.

### *4. Efforts to Avoid Refund Errors*

In order to avoid errors in refunds, MERC will verify that un-refunded amounts are in line with past refunds and that any significant discrepancy is fully evaluated to ensure the amount of the refund was calculated and issued correctly. Additionally, when the refunds are complete, a report is generated to confirm the amounts of the refunds returned to the customers and compared to the less than \$2.00 amount for former customers no longer on MERC's system.

With Vertex, the process of interim refunds has been a largely manual process to calculate the refunds, apply them to accounts, and merge to the billing system. Under the new Improved Customer Experience customer information system, we anticipate this process will be streamlined and automated, which will result in less opportunity for error.



Line No.	Test Year Basis	Total	Flex and Super Large Volume	Total less Flex and Super Large Volume
1	Initial Ordered Interim Increase	\$ 9,749,729	\$ 263,003	\$ 9,486,726
2	Waived Interim Relief	\$ 201,641	\$ 201,641	\$ -
3	Total Interim Increase Line 1 - Line 2	\$ 9,548,088	\$ 61,362	\$ 9,486,726
4	Final Ordered Increase	\$ 6,775,514	\$ 141,256	\$ 6,634,258
5	Test Year Refund Line 3 - Line 4	\$ 2,772,574	\$ (79,894)	\$ 2,852,468
6	Interim Refund Factor Line 5 / Line 3	29.04%	-130.20%	30.07%
<b>Actual Basis</b>				
7	Interim Increase Collected Attachment 1, Page 2	\$ 6,665,263	\$ 42,633	\$ 6,622,630
8	Refund Obligation (without Interest) Line 6 * Line 7	\$ 1,935,459	\$ (55,509)	\$ 1,991,292
9	Actual Ordered Interim Increase Line 7 - Line 8	\$ 4,729,804	\$ 98,142	\$ 4,631,338
10	Interest Attachment 1, Page 2	\$ 33,157	\$ (698)	\$ 34,172
11	Total Refund Obligation Line 8 + Line 10	\$ 1,968,617	\$ (56,207)	\$ 2,025,464
12	Refund Factor Line 11 / Line 7	29.54%	-131.84%	30.58%
13	Average Residential Refund			\$ 6.10

**Total MERC**

Billing Month	Interim Increase	Interim Allowed	Difference	Beginning Balance	Ending Balance	Average Balance	Number of Days	Annual Interest*	Monthly Interest
January-16	\$ 322,591	\$ 228,917	\$ 93,674	\$ -	\$ 93,674	\$ 46,837	31	3.50%	\$ 139
February-16	\$ 1,386,377	\$ 983,801	\$ 402,576	\$ 93,813	\$ 496,389	\$ 295,101	29	3.50%	\$ 818
March-16	\$ 1,158,735	\$ 822,262	\$ 336,474	\$ 497,207	\$ 833,681	\$ 665,444	31	3.50%	\$ 1,973
April-16	\$ 878,492	\$ 623,396	\$ 255,097	\$ 835,654	\$ 1,090,750	\$ 963,202	30	3.50%	\$ 2,763
May-16	\$ 706,230	\$ 501,155	\$ 205,075	\$ 1,093,514	\$ 1,298,589	\$ 1,196,051	31	3.50%	\$ 3,546
June-16	\$ 516,956	\$ 366,842	\$ 150,114	\$ 1,302,134	\$ 1,452,248	\$ 1,377,191	30	3.50%	\$ 3,951
July-16	\$ 367,480	\$ 260,771	\$ 106,709	\$ 1,456,199	\$ 1,562,908	\$ 1,509,553	31	3.50%	\$ 4,475
August-16	\$ 436,072	\$ 309,445	\$ 126,626	\$ 1,567,383	\$ 1,694,009	\$ 1,630,696	31	3.50%	\$ 4,834
September-16	\$ 412,455	\$ 292,686	\$ 119,769	\$ 1,698,843	\$ 1,818,612	\$ 1,758,728	30	3.50%	\$ 5,046
October-16	\$ 479,875	\$ 340,529	\$ 139,346	\$ 1,823,658	\$ 1,963,004	\$ 1,893,331	31	3.50%	\$ 5,613
November-16	\$ -	\$ -	\$ -	\$ 1,968,617	\$ 1,968,617	\$ 1,968,617	30	\$ -	\$ -
December-16	\$ -	\$ -	\$ -	\$ 1,968,617	\$ 1,968,617	\$ 1,968,617	31	\$ -	\$ -
January-17	\$ -	\$ -	\$ -	\$ 1,968,617	\$ 1,968,617	\$ 1,968,617	31	\$ -	\$ -
February-17	\$ -	\$ -	\$ -	\$ 1,968,617	\$ 1,968,617	\$ 1,968,617	28	\$ -	\$ -
March-17	\$ -	\$ -	\$ -	\$ 1,968,617	\$ 1,968,617	\$ 1,968,617	31	\$ -	\$ -
April-17	\$ -	\$ -	\$ -	\$ 1,968,617	\$ 1,968,617	\$ 1,968,617	30	\$ -	\$ -
May-17	\$ -	\$ -	\$ -	\$ 1,968,617	\$ 1,968,617	\$ 1,968,617	31	\$ -	\$ -
June-17	\$ -	\$ -	\$ -	\$ 1,968,617	\$ -	\$ 984,308	30	\$ -	\$ -
<b>Total</b>	<b>\$ 6,665,263</b>	<b>\$ 4,729,804</b>	<b>\$ 1,935,459</b>						<b>\$ 33,157</b>

**Super Large Volume & FLEX**

Billing Month	Interim Increase	Interim Allowed	Difference	Beginning Balance	Ending Balance	Average Balance	Number of Days	Annual Interest*	Monthly Interest
January-16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	31	3.50%	\$ -
February-16	\$ 2,108	\$ 4,852	\$ (2,744)	\$ -	\$ (2,744)	\$ (1,372)	29	3.50%	\$ (4)
March-16	\$ 2,737	\$ 6,301	\$ (3,564)	\$ (2,748)	\$ (6,312)	\$ (4,530)	31	3.50%	\$ (13)
April-16	\$ 8,792	\$ 20,240	\$ (11,448)	\$ (6,325)	\$ (17,773)	\$ (12,049)	30	3.50%	\$ (35)
May-16	\$ 4,674	\$ 10,759	\$ (6,085)	\$ (17,808)	\$ (23,893)	\$ (20,850)	31	3.50%	\$ (62)
June-16	\$ 4,703	\$ 10,827	\$ (6,124)	\$ (23,955)	\$ (30,079)	\$ (27,017)	30	3.50%	\$ (78)
July-16	\$ 4,710	\$ 10,841	\$ (6,132)	\$ (30,156)	\$ (36,288)	\$ (33,222)	31	3.50%	\$ (98)
August-16	\$ 5,445	\$ 12,534	\$ (7,089)	\$ (36,387)	\$ (43,476)	\$ (39,931)	31	3.50%	\$ (118)
September-16	\$ 4,610	\$ 10,612	\$ (6,002)	\$ (43,594)	\$ (49,597)	\$ (46,595)	30	3.50%	\$ (134)
October-16	\$ 4,854	\$ 11,175	\$ (6,320)	\$ (49,730)	\$ (56,051)	\$ (52,890)	31	3.50%	\$ (157)
November-16	\$ -	\$ -	\$ -	\$ (56,207)	\$ (56,207)	\$ (56,207)	30	0.00%	\$ -
December-16	\$ -	\$ -	\$ -	\$ (56,207)	\$ (56,207)	\$ (56,207)	31	0.00%	\$ -
January-17	\$ -	\$ -	\$ -	\$ (56,207)	\$ (56,207)	\$ (56,207)	31	0.00%	\$ -
February-17	\$ -	\$ -	\$ -	\$ (56,207)	\$ (56,207)	\$ (56,207)	28	0.00%	\$ -
March-17	\$ -	\$ -	\$ -	\$ (56,207)	\$ (56,207)	\$ (56,207)	31	0.00%	\$ -
April-17	\$ -	\$ -	\$ -	\$ (56,207)	\$ (56,207)	\$ (56,207)	30	0.00%	\$ -
May-17	\$ -	\$ -	\$ -	\$ (56,207)	\$ (56,207)	\$ (56,207)	31	0.00%	\$ -
June-17	\$ -	\$ -	\$ -	\$ (56,207)	\$ -	\$ (28,104)	30	0.00%	\$ -
<b>Total</b>	<b>\$ 42,633</b>	<b>\$ 98,142</b>	<b>\$ (55,509)</b>						<b>\$ (698)</b>

**MERC less Super Large Volume & FLEX**

Billing Month	Interim Increase	Interim Allowed	Difference	Beginning Balance	Ending Balance	Average Balance	Number of Days	Annual Interest*	Monthly Interest
January-16	\$ 322,591	\$ 225,594	\$ 96,997	\$ -	\$ 96,997	\$ 48,498	31	3.50%	\$ 144
February-16	\$ 1,384,269	\$ 968,047	\$ 416,222	\$ 97,140	\$ 513,362	\$ 305,251	29	3.50%	\$ 847
March-16	\$ 1,155,998	\$ 808,413	\$ 347,585	\$ 514,209	\$ 861,794	\$ 688,002	31	3.50%	\$ 2,040
April-16	\$ 869,700	\$ 608,199	\$ 261,501	\$ 863,834	\$ 1,125,335	\$ 994,585	30	3.50%	\$ 2,853
May-16	\$ 701,556	\$ 490,612	\$ 210,944	\$ 1,128,188	\$ 1,339,132	\$ 1,233,660	31	3.50%	\$ 3,657
June-16	\$ 512,253	\$ 358,229	\$ 154,024	\$ 1,342,789	\$ 1,496,814	\$ 1,419,802	30	3.50%	\$ 4,073
July-16	\$ 362,770	\$ 253,693	\$ 109,077	\$ 1,500,887	\$ 1,609,965	\$ 1,555,426	31	3.50%	\$ 4,611
August-16	\$ 430,627	\$ 301,146	\$ 129,481	\$ 1,614,576	\$ 1,744,056	\$ 1,679,316	31	3.50%	\$ 4,978
September-16	\$ 407,845	\$ 285,214	\$ 122,631	\$ 1,749,035	\$ 1,871,665	\$ 1,810,350	30	3.50%	\$ 5,194
October-16	\$ 475,021	\$ 332,192	\$ 142,829	\$ 1,876,859	\$ 2,019,688	\$ 1,948,274	31	3.50%	\$ 5,776
November-16	\$ -	\$ -	\$ -	\$ 2,025,464	\$ 2,025,464	\$ 2,025,464	30	0.00%	\$ -
December-16	\$ -	\$ -	\$ -	\$ 2,025,464	\$ 2,025,464	\$ 2,025,464	31	0.00%	\$ -
January-17	\$ -	\$ -	\$ -	\$ 2,025,464	\$ 2,025,464	\$ 2,025,464	31	0.00%	\$ -
February-17	\$ -	\$ -	\$ -	\$ 2,025,464	\$ 2,025,464	\$ 2,025,464	28	0.00%	\$ -
March-17	\$ -	\$ -	\$ -	\$ 2,025,464	\$ 2,025,464	\$ 2,025,464	31	0.00%	\$ -
April-17	\$ -	\$ -	\$ -	\$ 2,025,464	\$ 2,025,464	\$ 2,025,464	30	0.00%	\$ -
May-17	\$ -	\$ -	\$ -	\$ 2,025,464	\$ 2,025,464	\$ 2,025,464	31	0.00%	\$ -
June-17	\$ -	\$ -	\$ -	\$ 2,025,464	\$ -	\$ 1,012,732	30	0.00%	\$ -
<b>Total</b>	<b>\$ 6,622,630</b>	<b>\$ 4,631,338</b>	<b>\$ 1,991,292</b>						<b>\$ 34,172</b>

Monthly Interest is calculated by dividing the Annual interest rate by the days of the year, and then multiplying the daily interest rate by the number of days in the month and the monthly average balance.

Interest Rates Can be found at <http://www.federalreserve.gov/datadownload/Build.aspx?rel=H15>, and then by selecting Interest Rates, Prime, NA, and Monthly in the drop down boxes. This will provide a link to the a schedule showing the interest rates used on this sheet.

Description	Total Refund	Refund Principal	Refund Interest
<b>NNG SALES</b>			
GS-NNG Residential Sales		\$0.00	\$0.00
GS-NNG SC&I Sales		\$0.00	\$0.00
GS-NNG LC&I Sales		\$0.00	\$0.00
SVI-NNG Sales		\$0.00	\$0.00
LVI-NNG Sales		\$0.00	\$0.00
SVJ-NNG Sales		\$0.00	\$0.00
<b>CONSOLIDATED SALES</b>			
GS-CONSOLIDATED Residential Sales		\$0.00	\$0.00
GS-CONSOLIDATED SC&I Sales		\$0.00	\$0.00
GS-CONSOLIDATED LC&I Sales		\$0.00	\$0.00
SVI-CONSOLIDATED Sales		\$0.00	\$0.00
LVI-CONSOLIDATED Sales		\$0.00	\$0.00
SVJ-CONSOLIDATED Sales		\$0.00	\$0.00
<b>NNG TRANSPORT</b>			
SVI-NNG Transport		\$0.00	\$0.00
LVI-NNG Transport - CIP Applicable		\$0.00	\$0.00
LVI-NNG Transport - CIP Exempt		\$0.00	\$0.00
SVJ-NNG Transport		\$0.00	\$0.00
LVJ-NNG Transport		\$0.00	\$0.00
SLVI-NNG Transport-CIP Exempt		\$0.00	\$0.00
SLVI-NNG Transport-CIP Applicable		\$0.00	\$0.00
SLVJ-NNG Transport-CIP Exempt		\$0.00	\$0.00
Transport for Resale		\$0.00	\$0.00
LVJ-NNG Flex Transport (Cust "A")		\$0.00	\$0.00
LVI-NNG Flex Transport (Cust "B")		\$0.00	\$0.00
LVI-NNG Flex Transport (Cust "C")		\$0.00	\$0.00
LVI-NNG Flex Transport (Cust "D")		\$0.00	\$0.00
LVJ-NNG Flex Transport (Cust "E")		\$0.00	\$0.00
LVJ-NNG Flex Transport (Cust "F")		\$0.00	\$0.00
LVI-NNG Flex Transport (Cust "G")		\$0.00	\$0.00
<b>CONSOLIDATED TRANSPORT</b>			
SVI-CONSOLIDATED Transport		\$0.00	\$0.00
LVI-CONSOLIDATED Transport		\$0.00	\$0.00
SVJ-CONSOLIDATED Transport		\$0.00	\$0.00
LVJ-CONSOLIDATED Transport		\$0.00	\$0.00
SLVI-CONSOLIDATED Transport-CIP Exempt		\$0.00	\$0.00
SLVI-CONSOLIDATED Transport-CIP Applicable		\$0.00	\$0.00
<b>Total - MERC</b>	<b><u><u>\$0.00</u></u></b>	<b><u><u>\$0.00</u></u></b>	<b><u><u>\$0.00</u></u></b>

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

MPUC Docket No. G011/GR-15-736

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 30th day of November, 2016, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed true and correct copies of the enclosed 30-Day Compliance Filing on [www.edockets.state.mn.us](http://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 30th day of November, 2016.

/s/ Kristin M. Stastny  
Kristin M. Stastny

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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_15-736_Official CC List
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