

**MICHAEL J. AHERN**  
(612) 340-2881  
FAX (612) 340-2643  
ahern.michael@dorsey.com

November 5, 2008

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

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation – PNG  
for Approval of a Change in Demand Entitlement for its Great Lakes Gas  
Transmission System; Docket No. G011/M-08-1330

Dear Dr. Haar:

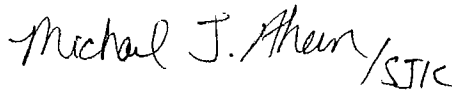
Minnesota Energy Resources Corporation-PNG filed a Petition for Approval of a Change in Demand Entitlement for its Great Lakes Gas Transmission System on November 3, 2008. After submitting the filing, MERC realized that the current proposed commodity and demand costs had not been updated. Enclosed please find the following revised attachments reflecting the updated information:

- Attachment 4, Page 1 of 2; and
- Attachment 7.

These attachments should replace those included with the public and nonpublic versions of the initial filing.

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

Sincerely yours,



Michael J. Ahern

cc: Service List

## MINNESOTA ENERGY RESOURCES - PNG

### RATE IMPACT OF THE PROPOSED DEMAND CHANGE

NOVEMBER 1, 2008

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

1) General Service: Avg. Annual Use:						167	Mcf			
Commodity Cost	\$2.8377	\$7.3498	\$6.9623	\$6.9436	\$8.5698	202.00%	16.60%	23.42%	\$1.6262	
Demand Cost	\$0.2068	\$0.9106	\$0.8835	\$0.8000	\$0.7964	285.11%	-12.54%	-0.44%	(\$0.0036)	
Commodity Margin	\$1.1771	\$1.1771	\$1.1771	\$1.6263	\$1.6263	38.16%	38.16%	0.00%	\$0.0000	
Total Cost of Gas	\$4.2216	\$9.4375	\$9.0229	\$9.3699	\$10.9925	160.39%	16.48%	17.32%	\$1.6227	
Avg Annual Cost	\$705.01	\$1,576.06	\$1,506.82	\$1,564.76	\$1,835.75	160.39%	16.48%	17.32%	\$270.98	
Effect of proposed commodity change on average annual bills:									\$271.58	
Effect of proposed demand change on average annual bills:									(\$0.59)	

2) Small Vol. Interruptible: Avg. Annual Use:						3,063	Mcf			
Commodity Cost	\$2.8377	\$7.3498	\$6.9623	\$6.9436	\$8.5698	202.00%	16.60%	23.42%	\$1.6262	
Demand Cost										
Commodity Margin	\$0.9000	\$0.9000	\$0.9000	\$1.2434	\$1.2434	38.16%	38.16%	0.00%	\$0.0000	
Total Cost of Gas	\$3.7377	\$8.2498	\$7.8623	\$8.1870	\$9.8132	162.55%	18.95%	19.86%	\$1.6262	
Avg Annual Cost	\$11,448.58	\$25,269.14	\$24,082.22	\$25,076.78	\$30,057.83	162.55%	18.95%	19.86%	\$4,981.05	
Effect of proposed commodity change on average annual bills:									\$4,981.05	
Effect of proposed demand change on average annual bills:									\$0.00	

3) Small Vol. Firm: Avg. Annual Use:						5,148	Mcf			
Avg. Annual CD units:						51				
Commodity Cost	\$2.8377	\$7.3498	\$6.9623	\$6.9436	\$8.5698	202.00%	16.60%	23.42%	\$1.6262	
Demand Cost	\$1.6270	\$3.4580	\$3.4580	\$3.4580	\$3.4580	112.54%	0.00%	0.00%	\$0.0000	
Commodity Margin	\$0.9000	\$0.9000	\$0.9000	\$1.2434	\$1.2434	38.16%	38.16%	0.00%	\$0.0000	
Demand Margin	\$1.5000	\$1.5000	\$1.5000	\$2.0724	\$2.0724	38.16%	38.16%	0.00%	\$0.0000	
Total Cost of Gas	\$3.7377	\$8.2498	\$7.8623	\$8.1870	\$9.8132	162.55%	18.95%	19.86%	\$1.6262	
Total Demand Cost	\$3.1270	\$4.9580	\$4.9580	\$5.5304	\$5.5304	76.86%	11.54%	0.00%	\$0.0000	
Avg Annual Cost	\$19,401.16	\$42,722.83	\$40,727.98	\$42,428.73	\$50,800.40	161.84%	18.91%	19.73%	\$8,371.68	
Effect of proposed commodity change on average annual bills:									\$8,371.68	
Effect of proposed demand change on average annual bills:									\$0.00	

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

# MINNESOTA ENERGY RESOURCES - PNG

## Attachment 7

### GLGT

	Last Rate	Last Demand	Most Recent	October PGA with Current Demand	Change From Last Rate	Change From Last Demand	Change From Most Recent	\$ Change From Most Recent
<b>General Service</b>								
Commodity Cost of Gas (WACOG)	\$2.8377	\$7.3498	\$6.9436	\$8.5698	202.00%	16.60%	23.42%	\$1.6262
Demand Cost of Gas	\$0.2068	\$0.9106	\$0.8000	\$0.7964	285.11%	-12.54%	-0.44%	(\$0.0036)
Commodity Margin	\$1.1771	\$1.1771	\$1.6263	\$1.6263	38.16%	38.16%	0.00%	\$0.0000
Total Recovery	\$4.2216	\$9.4375	\$9.3699	\$10.9925	160.39%	16.48%	17.32%	\$1.6227
Average Annual Usage (Mcf)	167	167	167	167				
Average Annual Bill^	\$705.01	\$1,576.06	\$1,564.76	\$1,835.75	160.39%	16.48%	17.32%	\$270.98
	Last Rate	Last Demand	Most Recent	Current	Change From Last Rate	Change From Last Demand	Change From Most Recent	\$ Change From Most Recent
<b>Small Volume Interruptible</b>								
Commodity Cost of Gas (WACOG)	\$2.8377	\$7.3498	\$6.9436	\$8.5698	202.00%	16.60%	23.42%	\$1.6262
Demand Cost of Gas					0.00%	0.00%	0.00%	\$0.0000
Commodity Margin	\$0.9000	\$0.9000	\$1.2434	\$1.2434	38.16%	38.16%	0.00%	\$0.0000
Total Recovery	\$3.7377	\$8.2498	\$8.1870	\$9.8132	162.55%	18.95%	19.86%	\$1.6262
Average Annual Usage (Mcf)	3,063	3,063	3,063	3,063				
Average Annual Bill^	\$11,448.58	\$25,269.14	\$25,076.78	\$30,057.83	162.55%	18.95%	19.86%	\$4,981.05
	Last Rate	Last Demand	Most Recent	Current	Change From Last Rate	Change From Last Demand	Change From Most Recent	\$ Change From Most Recent
<b>Small/Large Volume Firm</b>								
Commodity Cost of Gas (WACOG)	\$2.8377	\$7.3498	\$6.9436	\$8.5698	202.00%	16.60%	23.42%	\$1.6262
Demand Cost of Gas	\$1.6270	\$3.4580	\$3.4580	\$3.4580	112.54%	0.00%	0.00%	\$0.0000
Commodity Margin	\$0.9000	\$0.9000	\$1.2434	\$1.2434	38.16%	38.16%	0.00%	\$0.0000
Demand Margin	\$1.5000	\$1.5000	\$2.0724	\$2.0724	38.16%	38.16%	0.00%	\$0.0000
Total Commodity Cost	\$3.7377	\$8.2498	\$8.1870	\$9.8132	162.55%	18.95%	19.86%	\$1.6262
Total Demand Cost	\$3.1270	\$4.9580	\$5.5304	\$5.5304	76.86%	11.54%	0.00%	\$0.0000
Total Recovery	\$13.7294	\$26.4156	\$27.4348	\$30.6872	123.51%	16.17%	11.86%	\$3.2524
Average Annual Usage (Mcf)	5,148	5,148	5,148	5,148				
Average Annual CD units (Mcf)	51	51	51	51				
Average Annual Commodity Bill^	\$19,401	\$42,722.83	\$42,429	\$50,800	161.84%	18.91%	19.73%	\$8,371.68
	Commodity Change	Commodity Change	Demand Change	Demand Change	Total Change	Total Change		
<b>Summary</b>	(\$/Mcf)	(%)	(\$/Mcf)	(%)	(\$/Mcf)	(%)		
General Service	\$1.6262	23.42%	(\$0.0036)	-0.44%	\$1.6227	17.32%		
Small Volume Interruptible	\$1.6262	23.42%	\$0.0000	0.00%	\$1.6262	19.86%		
Small/Large Volume Firm	\$1.6262	0.00%	\$0.0000	0.00%	\$3.2524	11.86%		

^ Does not include Customer Charges.



Burl W. Haar  
MN Public Utilities Commission  
350 Metro Square Building  
121 Seventh Place East  
St. Paul, MN 55101-5147

Michael Ahern  
Dorsey & Whitney LLP  
50 South Sixth Street, Suite 1500  
Minneapolis, MN 55402-1498

James D. Larson  
Dahlen Berg & Co.  
200 South Sixth Street  
Suite 300  
Minneapolis, MN 55402

Sharon Ferguson  
MN Department of Commerce  
85 Seventh Place East  
Suite 500  
St. Paul, MN 55101-2198

Ann Seha  
Dorsey & Whitney LLP  
50 South Sixth Street, Suite 1500  
Minneapolis, MN 55402-1498

Pam Marshall  
Energy CENTS Coalition  
823 East Seventh Street  
St. Paul, MN 55106

Julia Anderson  
Attorney General's Office  
1400 Bremer Tower  
445 Minnesota Street  
St. Paul, MN 55101-2131

Michael J. Bradley  
Moss & Barnett  
4800 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-4129

Brian Meloy  
Leonard, Street & Deinard  
150 South Fifth Street  
Suite 2300  
Minneapolis, MN 55402

Ronald M. Giteck  
Attorney General's Office-RUD  
900 Bremer Tower  
445 Minnesota Street  
St. Paul, MN 55101

Marie Doyle  
CenterPoint Energy  
800 LaSalle Avenue – Fl. 11  
P.O. Box 59038  
Minneapolis, MN 55459-0038

Eric F. Swanson  
Winthrop & Weinstine  
225 South Sixth Street  
Suite 350  
Minneapolis, MN 55402-4629

Karen Finstad Hammel  
Attorney General's Office  
1400 Bremer Tower  
445 Minnesota Street  
St. Paul, MN 55101-2131

Bob Freund  
Rochester Post-Bulletin  
P.O. Box 6118  
Rochester, MN 55903-61188

James R. Talcott  
Northern Natural Gas Company  
1111 South 103rd Street  
Omaha, NE 68124

John Lindell  
Attorney General's Office-RUD  
900 Bremer Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

Jack Kegel  
MN Municipal Utilities Assn.  
3025 Harbor Lane N.  
Suite 400  
Plymouth, MN 55447-5142

Greg Walters  
Minnesota Energy Resources  
519 First Avenue SW  
P.O. Box 6538  
Rochester, MN 55903-6538

Robert S. Lee  
Mackall Crouse & Moore PLC  
1400 AT&T Tower  
901 Marquette Avenue  
Minneapolis, MN 55402-2859