MINNESOTA ENERGY RESOURCES - NMU

RATE IMPACT OF THE PROPOSED DEMAND CHANGE NOVEMBER 1, 2008

All costs in	Last	Last	Last	Most	Current	Result of Proposed Change			
\$/MMBtu	Rate	Demand	Demand	Recent	Proposal	Change	Change	Change	Change
		Change	Change			from		from	from
	G007	G006	G007		Effective	Last	Last	Last	Last
	MR03-1372	M-06-XXXX	M-07-XXXX	Oct. 08	Nov.1,2008	Rate	Demand	PGA	PGA
			Nov. 07				Change		\$

1) General Service: Av	/g. Annual Use:			143	Mcf				
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	70.24%	14.33%	\$0.9428
Demand Cost	\$1.3009	\$1.2448	\$1.0999	\$1.1201	\$1.0161	-21.89%	-22.88%	-9.28%	(\$0.1040)
Commodity Margin	\$1.9411	\$1.9411	\$1.9411	\$2.3126	\$2.3126	19.14%	19.14%	0.00%	\$0.0000
Total Cost of Gas	\$5.6060	\$10.5270	\$9.9968	\$10.0105	\$10.8493	93.53%	49.81%	8.38%	\$0.8388
Avg Annual Cost	\$801.66	\$1,505.36	\$1,429.54	\$1,431.50	\$1,551.45	93.53%	49.81%	8.38%	\$119.95
Effect of proposed commodity change on average annual bills:									\$134.82
Effect of proposed demand change on average annual bills:									(\$14.87)

2) Large General Service: Avg. Annual Use:				6,838	Mcf				
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	2.45%	14.33%	\$0.9428
Demand Cost	\$1.3009	\$1.2448	\$1.0999	\$1.1201	\$1.0161	-21.89%	-18.37%	-9.28%	(\$0.1040)
Commodity Margin	\$1.9411	\$1.9411	\$1.9411	\$2.3126	\$2.3126	19.14%	19.14%	0.00%	\$0.0000
Total Cost of Gas	\$5.6060	\$10.5270	\$9.9968	\$10.0105	\$10.8493	93.53%	3.06%	8.38%	\$0.8388
Avg Annual Cost	\$38,333.83	\$71,983.63	\$68,358.12	\$68,451.80	\$74,187.51	93.53%	3.06%	8.38%	\$5,735.71
Effect of proposed commodity change on average annual bills:									\$6,446.87
Effect of proposed demand change on average annual bills:								(\$711.15)	

3) SV Interruptible Se	7,982	Mcf							
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	2.45%	14.33%	\$0.9428
Commodity Margin	\$0.8500	\$0.8500	\$0.8500	\$1.0127	\$1.0127	19.14%	19.14%	0.00%	\$0.0000
Total Cost of Gas	\$3.2140	\$8.1911	\$7.8058	\$7.5905	\$8.5333	165.50%	4.18%	12.42%	\$0.9428
Avg Annual Cost	\$25,654.15	\$65,381.36	\$62,305.90	\$60,587.37	\$68,112.80	165.50%	4.18%	12.42%	\$7,525.43
Effect of proposed commodity change on average annual bills:								\$7,525.43	

4) LV Interruptible Service: Avg. Annual Use:				38,443	Mcf				
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	2.45%	14.33%	\$0.9428
Commodity Margin	\$0.2850	\$0.2850	\$0.2850	\$0.3395	\$0.3395	19.12%	19.12%	0.00%	\$0.0000
Total Cost of Gas	\$2.6490	\$7.6261	\$7.2408	\$6.9173	\$7.8601	196.72%	3.07%	13.63%	\$0.9428
Avg Annual Cost	\$101,835.51	\$293,170.16	\$278,358.07	\$265,921.76	\$302,165.82	196.72%	3.07%	13.63%	\$36,244.06
Effect of proposed commodity change on average annual bills:									\$36,244.06

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

MINNESOTA ENERGY RESOURCES - NMU

Attachment 7 Rate Impacts NMU

					October		0/ 0/		
	1	Last Damas d	Last Damas d	0-4-1	PGA with	0/ C b	% Change	0/ 01	C Ch
	Last	Last Demand		October	Proposed	% Change	from Last	% Change	\$ Change
General Service	Rate Case GR-03-1372	Filing M-06-XXXX	Filing M-07-XXXX	PGA 2008	Demand Changes	from Last Rate Case	Demand Filing	from Oct. PGA	from Oct. PGA
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	8.12%	14.33%	\$0.9428
Demand Cost	\$1.3009	\$0.9362	\$1.2448	\$1.1201	\$1.0161	-21.89%	-18.37%	-9.28%	(\$0.1040)
Margin	\$1.9411	\$1.9411	\$1.9411	\$2.3126	\$2.3126	19.14%	19.14%	0.00%	\$0.0000
Total Cost of Gas	\$5.6060	\$10.2184	\$10.1417	\$10.0105	\$10.8493	93.53%	6.98%	8.38%	\$0.8388
Average Annual Use	143	143	143	143	143	00.0070	0.0070	0.0070	ψυ.σσσσ
Average Annual Cost of Gas	\$801.66	\$1,461.23	\$1,450.26	\$1,431.50	\$1,551.45	93.53%	6.98%	8.38%	\$119.95
3.	****	,	, , , , ,	, ,	* ,				,
					October PGA with		% Change		
	Last	Last Demand	October	October	Proposed	% Change	from Last	% Change	\$ Change
	Rate Case	Filing	PGA	PGA	Demand	from Last	Demand	from Oct.	from Oct.
Large General Service	GR-03-1372	M-06-XXXX	M-07-XXXX	2008	Changes	Rate Case	Filing	PGA	PGA
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	8.12%	14.33%	\$0.9428
Demand Cost	\$1.3009	\$0.9362	\$1.2448	\$1.1201	\$1.0161	-21.89%	-18.37%	-9.28%	(\$0.1040)
Margin	\$1.9411	\$1.9411	\$1.9411	\$2.3126	\$2.3126	19.14%	19.14%	0.00%	\$0.0000
Total Cost of Gas	\$5.6060	\$10.2184	\$10.1417	\$10.0105	\$10.8493	93.53%	6.98%	8.38%	\$0.8388
Average Annual Use	6,838	6,838	6,838	6,838	6,838				•
Average Annual Cost of Gas	\$38,333.83	\$69,873.42	\$69,348.94	\$68,451.80	\$74,187.51	93.53%	6.98%	8.38%	\$5,735.71
					October				
					PGA with		% Change		
	Last	Last Demand	October	October	Proposed	% Change	from Last	% Change	\$ Change
	Rate Case	Filing	PGA	PGA	Demand	from Last	Demand	from Oct.	from Oct.
SV Interruptible Service	GR-03-1372	M-06-XXXX	M-07-XXXX	2008	Changes	Rate Case	Filing	PGA	PGA
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	8.12%	14.33%	\$0.9428
Commodity Margin	\$0.8500	\$0.8500	\$0.8500	\$1.0127	\$1.0127	19.14%	19.14%	0.00%	\$0.0000
Total Cost of Gas	\$3.2140	\$8.1911	\$7.8058	\$7.5905	\$8.5333	165.50%	9.32%	12.42%	\$0.9428
Average Annual Use	7,982	7,982	7,982	7,982	7,982				^-
Average Annual Cost of Gas	\$25,654.15	\$65,381.36	\$62,305.90	\$60,587.37	\$68,112.80	165.50%	9.32%	12.42%	\$7,525.43
					October				
					DC 4		0/ Change		
	1 004				PGA with		% Change		
	Last	Last Demand	October	October	Proposed	% Change	from Last	% Change	\$ Change
	Rate Case	Filing	PGA	PGA	Proposed Demand	from Last	from Last Demand	from Oct.	from Oct.
LV Interruptible Service	Rate Case GR-03-1372	Filing M-06-XXXX	PGA M-07-XXXX	PGA 2008	Proposed Demand Changes	from Last Rate Case	from Last Demand Filing	from Oct. PGA	from Oct. PGA
Commodity Cost	Rate Case GR-03-1372 \$2.3640	Filing M-06-XXXX \$7.3411	PGA M-07-XXXX \$6.9558	PGA 2008 \$6.5778	Proposed Demand Changes \$7.5206	from Last Rate Case 218.13%	from Last Demand Filing 8.12%	from Oct. PGA 14.33%	from Oct. PGA \$0.9428
Commodity Cost Commodity Margin	Rate Case GR-03-1372 \$2.3640 \$0.2850	Filing M-06-XXXX \$7.3411 \$0.2850	PGA M-07-XXXX \$6.9558 \$0.2850	PGA 2008 \$6.5778 \$0.3395	Proposed Demand Changes \$7.5206 \$0.3395	from Last Rate Case 218.13% 19.12%	from Last Demand Filing 8.12% 19.12%	from Oct. PGA 14.33% 0.00%	from Oct. PGA \$0.9428 \$0.0000
Commodity Cost Commodity Margin Total Cost of Gas	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408	PGA 2008 \$6.5778 \$0.3395 \$6.9173	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601	from Last Rate Case 218.13%	from Last Demand Filing 8.12%	from Oct. PGA 14.33%	from Oct. PGA \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443	from Last Rate Case 218.13% 19.12% 196.72%	from Last Demand Filing 8.12% 19.12% 8.55%	from Oct. PGA 14.33% 0.00% 13.63%	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408	PGA 2008 \$6.5778 \$0.3395 \$6.9173	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601	from Last Rate Case 218.13% 19.12%	from Last Demand Filing 8.12% 19.12%	from Oct. PGA 14.33% 0.00%	from Oct. PGA \$0.9428 \$0.0000
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443	from Last Rate Case 218.13% 19.12% 196.72%	from Last Demand Filing 8.12% 19.12% 8.55%	from Oct. PGA 14.33% 0.00% 13.63%	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443 \$101,835.51	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443 \$293,170.16	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443 \$278,358.07	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443 \$265,921.76	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443 \$302,165.82	from Last Rate Case 218.13% 19.12% 196.72%	from Last Demand Filing 8.12% 19.12% 8.55% 8.55%	from Oct. PGA 14.33% 0.00% 13.63%	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443 \$101,835.51 Commodity	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443 \$293,170.16 Commodity	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443 \$278,358.07	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443 \$265,921.76	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443 \$302,165.82 Demand	from Last Rate Case 218.13% 19.12% 196.72% Total	from Last Demand Filing 8.12% 19.12% 8.55% 8.55%	from Oct. PGA 14.33% 0.00% 13.63% Average	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use Average Annual Cost of Gas	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443 \$101,835.51 Commodity Change	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443 \$293,170.16 Commodity Change	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443 \$278,358.07 Demand Change	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443 \$265,921.76 Demand Change	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443 \$302,165.82 Demand Change	from Last Rate Case 218.13% 19.12% 196.72% Total Change	from Last Demand Filing 8.12% 19.12% 8.55% 8.55% Total Change	from Oct. PGA 14.33% 0.00% 13.63% 13.63% Average Annual	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use Average Annual Cost of Gas October Change Summary	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443 \$101,835.51 Commodity Change \$/Mcf	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443 \$293,170.16 Commodity Change %	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443 \$278,358.07 Demand Change \$/Mcf	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443 \$265,921.76 Demand Change \$/Mcf	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443 \$302,165.82 Demand Change %	from Last Rate Case 218.13% 19.12% 196.72% Total Change \$/Mcf	from Last Demand Filing 8.12% 19.12% 8.55% 8.55% Total Change %	from Oct. PGA 14.33% 0.00% 13.63% 13.63% Average Annual Change	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use Average Annual Cost of Gas October Change Summary General Service	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443 \$101,835.51 Commodity Change \$/Mcf \$0.9428	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443 \$293,170.16 Commodity Change % 94.28%	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443 \$278,358.07 Demand Change \$/Mcf (\$0.0928)	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443 \$265,921.76 Demand Change \$/Mcf (\$0.1040)	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443 \$302,165.82 Demand Change % -9.28%	from Last Rate Case 218.13% 19.12% 196.72% Total Change \$/Mcf \$0.8388	from Last Demand Filing 8.12% 19.12% 8.55% 8.55% Total Change % 8.38%	from Oct. PGA 14.33% 0.00% 13.63% 13.63% Average Annual Change \$119.95	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use Average Annual Cost of Gas October Change Summary General Service Large General Service	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443 \$101,835.51 Commodity Change \$/Mcf \$0.9428 \$0.9428	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443 \$293,170.16 Commodity Change % 94.28% 94.28%	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443 \$278,358.07 Demand Change \$/Mcf (\$0.0928) (\$0.0928)	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443 \$265,921.76 Demand Change \$/Mcf (\$0.1040) (\$0.1040)	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443 \$302,165.82 Demand Change % -9.28% -9.28%	from Last Rate Case 218.13% 19.12% 196.72% Total Change \$/Mcf \$0.8388 \$0.8388	from Last Demand Filing 8.12% 19.12% 8.55% 8.55% Total Change % 8.38% 8.38%	from Oct. PGA 14.33% 0.00% 13.63% 13.63% Average Annual Change \$119.95 \$5,735.71	from Oct. PGA \$0.9428 \$0.0000 \$0.9428
Commodity Cost Commodity Margin Total Cost of Gas Average Annual Use Average Annual Cost of Gas October Change Summary General Service	Rate Case GR-03-1372 \$2.3640 \$0.2850 \$2.6490 38,443 \$101,835.51 Commodity Change \$/Mcf \$0.9428	Filing M-06-XXXX \$7.3411 \$0.2850 \$7.6261 38,443 \$293,170.16 Commodity Change % 94.28%	PGA M-07-XXXX \$6.9558 \$0.2850 \$7.2408 38,443 \$278,358.07 Demand Change \$/Mcf (\$0.0928)	PGA 2008 \$6.5778 \$0.3395 \$6.9173 38,443 \$265,921.76 Demand Change \$/Mcf (\$0.1040)	Proposed Demand Changes \$7.5206 \$0.3395 \$7.8601 38,443 \$302,165.82 Demand Change % -9.28%	from Last Rate Case 218.13% 19.12% 196.72% Total Change \$/Mcf \$0.8388	from Last Demand Filing 8.12% 19.12% 8.55% 8.55% Total Change % 8.38%	from Oct. PGA 14.33% 0.00% 13.63% 13.63% Average Annual Change \$119.95	from Oct. PGA \$0.9428 \$0.0000 \$0.9428