

**MINNESOTA ENERGY RESOURCES - NMU****RATE IMPACT OF THE PROPOSED DEMAND CHANGE  
NOVEMBER 1, 2008**

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

1) General Service: Avg. Annual Use:						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 Service: Avg. Annual Use:						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

	Last Rate Case	Last Demand Filing	Last Demand Filing	October PGA	October PGA with Proposed Demand Changes	% Change from Last Rate Case	% Change from Last Demand Filing	% Change from Oct. PGA	\$ Change from Oct. PGA
General Service	GR-03-1372	M-06-XXXX	M-07-XXXX	2008					
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				
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

	Last Rate Case	Last Demand Filing	October PGA	October PGA	October PGA with Proposed Demand Changes	% Change from Last Rate Case	% Change from Last Demand Filing	% Change from Oct. PGA	\$ Change from Oct. PGA
Large General Service	GR-03-1372	M-06-XXXX	M-07-XXXX	2008					
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

	Last Rate Case	Last Demand Filing	October PGA	October PGA	October PGA with Proposed Demand Changes	% Change from Last Rate Case	% Change from Last Demand Filing	% Change from Oct. PGA	\$ Change from Oct. PGA
SV Interruptible Service	GR-03-1372	M-06-XXXX	M-07-XXXX	2008					
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

	Last Rate Case	Last Demand Filing	October PGA	October PGA	October PGA with Proposed Demand Changes	% Change from Last Rate Case	% Change from Last Demand Filing	% Change from Oct. PGA	\$ Change from Oct. PGA
LV Interruptible Service	GR-03-1372	M-06-XXXX	M-07-XXXX	2008					
Commodity Cost	\$2.3640	\$7.3411	\$6.9558	\$6.5778	\$7.5206	218.13%	8.12%	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%	8.55%	13.63%	\$0.9428
Average Annual Use	38,443	38,443	38,443	38,443	38,443				
Average Annual Cost of Gas	\$101,835.51	\$293,170.16	\$278,358.07	\$265,921.76	\$302,165.82	196.72%	8.55%	13.63%	\$36,244.06

	Commodity Change \$/Mcf	Commodity Change %	Demand Change \$/Mcf	Demand Change \$/Mcf	Demand Change %	Total Change \$/Mcf	Total Change %	Average Annual Change
October Change Summary								
General Service	\$0.9428	94.28%	(\$0.0928)	(\$0.1040)	-9.28%	\$0.8388	8.38%	\$119.95
Large General Service	\$0.9428	94.28%	(\$0.0928)	(\$0.1040)	-9.28%	\$0.8388	8.38%	\$5,735.71
SV Interruptible Service	\$0.9428	\$0.9428	\$0.0000	\$0.0000	0.00%	\$0.9428	12.42%	\$7,525.43
LV Interruptible Service	\$0.9428	\$0.9428	\$0.0000	\$0.0000	0.00%	\$0.9428	13.63%	\$36,244.06