

August 31, 2016

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G022/M-16-494

Dear Mr. Wolf:

Attached are *Comments* of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Greater Minnesota Gas, Inc.'s Conservation Improvement Program Request for Cost Recovery (*Petition*)

The *Petition* was filed on June 1, 2016 by:

Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
202 S. Main Street
Le Sueur, MN 56068

As discussed in greater detail in the attached Comments, the Department recommends that the Commission **approve the Company's *Petition* with modifications**. The Department is available to answer any questions that the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ DANIELLE WINNER
Rates Analyst

DW/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET NO. G022/M-16-494

I. SUMMARY OF THE UTILITY'S PROPOSAL

On June 1, 2016, Greater Minnesota Gas, Inc. (GMG or the Company) submitted a filing in the present docket entitled *Conservation Improvement Program Request for Cost Recovery (Petition)* to the Minnesota Public Utilities Commission (Commission or PUC). The Company's *Petition* included:

- A request to enact a Conservation Adjustment, also called a Conservation Cost Recovery Adjustment (CCRA); and
- A proposed CCRA of \$0.18/decatherm (Dth).

II. BACKGROUND OF GREATER MINNESOTA GAS' CONSERVATION ACTIVITIES

As explained in the *Petition*, Greater Minnesota Gas has seen great gains in growth, and by extension, its conservation activities. From the first year of implementing its Conservation Improvement Program (CIP) in 2008 to the current 2016 plan, the Company has seen a jump in participation, from about 100 participants to about 500 participants. With this has come increased natural gas savings, from just over 1,000 Mcf saved in 2008, to just over 7,000 planned Mcf savings in 2016.

The Company indicated that it anticipates that in order to maintain its higher levels of savings, it will need to increase costs as well. The Company noted three specific factors that contribute to the anticipated increase in costs:

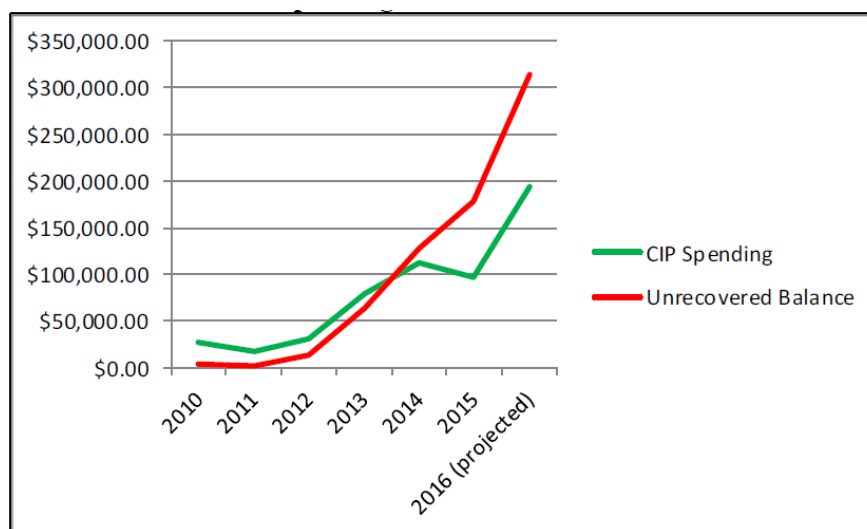
- Industrial sales have grown significantly since 2011, and now make up 57% of GMG's sales.
- The required CIP savings more than doubled in the new triennial plan, which will require implementing more complex CIP projects.

- New savings opportunities are increasingly based on custom projects, meaning that GMG and its CIP partner, Neighborhood Energy Connection, cannot gain much economies of scale from implementing them.

In summary, Greater Minnesota Gas projects spending an increasing amount of money to achieve required savings due to growth in sales and the CIP savings requirement. The Company claimed that the cost of meeting the CIP savings requirement is the largest factor contributing to the need for an increased CIP budget.

In addition to the projected increased expenses, GMG showed that the Company's CIP spending has exceeded CIP cost recovery through base rates. The following figure from GMG's *Petition* shows this trend:

Figure 1: Greater Minnesota Gas's CIP Spending versus Unrecovered Balance



As reflected in the graph, the Company noted that “there has been a significant shortfall between the level of CIP cost recovery in rates via the [Conservation Cost Recovery Charge] and the level of CIP spending approved in GMG’s historic CIPs.”¹ This shortfall has resulted in a large unrecovered balance, as shown in Exhibit B of the Company’s *Petition* and summarized in Table 1 below.

¹ *Petition*, Page 6.

Table 1: Greater Minnesota Gas' CIP Spending and Recoveries, 2009-2016²

Year	Spending	Recoveries	Percentage of Spending Recovered through CCRC
2009	3,675	6,038	164%
2010	26,285	23,066	88%
2011	16,880	19,034	113%
2012	31,716	18,460	58%
2013	80,060	31,514	39%
2014	112,495	48,371	43%
2015	97,173	46,003	47%
2016 (projected)	194,080	58,084	30%

In response to the Minnesota Department of Commerce's (Department or DOC) inquiries, GMG stated that it projects to spend its approved 2017 CIP budget of \$201,997, and recover \$56,515, or approximately 28 percent, through its CCRC.³ The Company predicts that, absent a supplementary recovery mechanism, the Company's under-recovered balance will grow to the point that at the next rate case, ratepayers may experience a sudden and drastic increase in rates. Thus, GMG proposes to implement a CCRA to address its growing unrecovered CIP balance.⁴

As noted above, GMG proposed a Conservation Improvement Program Adjustment of \$0.18 per dekatherm, which reflects a 3-year amortization of the projected December 2016 CIP tracker balance. The Company proposed to submit annual Conservation Improvement Program Adjustment filings on July 1 and implement the new Adjustment on January 1.

III. THE DEPARTMENT'S ANALYSIS

The Department's analysis of GMG's *Petition* is presented below in the following sections:

- in Section III.A, GMG's 2015 CIP Tracker;
- in Section III.B, GMG's Proposed CCRA;
- in Section III.C, GMG's historical spending and savings

² *Petition*, Exhibit B. The Department notes that historical spending figures are different between the multi-year CIP tracker and Company's reported spending in the annual CIP Status Reports. The CIP tracker reflects expenditures at the time of incurrence, while the Status Report reflects expenditures at the time the corresponding savings were counted.

³ See DOC Attachment E.

⁴ The Company also noted that implementing a CCRA will mitigate CIP responsibility mismatch, and will help relieve some of the constraints on GMG's finances. *Petition*, Pages 6-7.

A. GREATER MINNESOTA GAS'S 2015 CIP TRACKER

In Exhibit B of its *Petition*, Greater Minnesota Gas provided a multi-year CIP tracker showing annual CIP activity data from 2009 to 2015. The Company did not specifically request approval from the Commission of its CIP Tracker account activities; however, a review of the proposed CCRA necessitates a review of the previous year's CIP tracker. In GMG's case, a CCRA has not yet been established; therefore, the Department reviewed GMG's 2009 through 2015 CIP tracker.

To ensure CIP tracker adequacy, it is necessary to review CIP data in monthly increments, rather than the annual increments provided by the Company. The Department requested GMG's actual CIP expenses, Mcf sales, and CIP-exempt sales for each month of 2015.⁵ The Department used the Company's data⁶ to form a 2015 CIP tracker, the result of which can be found in Attachment A. The Department requests that the Company use the provided template, or one with equally granular data, as a basis for future CIP tracker filings.

Table 2 below provides a summary of the Company's 2015 CIP tracker account activity.

Table 2: Summary of GMG's 2015 CIP Tracker Account Activity

Description	Time Period	Amount
Beginning Balance	January 1, 2015	\$126,990
CIP Expenditures	January 1 through December 31, 2015	\$97,173
Recovery via Base Rates (CCRC)	January 1 through December 31, 2015	(46,003)
Ending Balance	December 31, 2015	\$178,161 ⁷

The Company did not collect a financial incentive in 2015, and stated that it does not intend to apply for one until the first year of the next triennial plan (2020), when it has more empirical data available.⁸

The Department also notes that the Company has not kept a record of carrying charges for over- and under-recovery of expenses. The Commission has consistently allowed the use of a carrying charge on CIP tracker accounts. Typically, the carrying charge rate is set at the value of the short-term cost of debt established in the Company's most recent rate case. In cases where the utility has not yet established a short-term cost of debt, the Commission has ordered utilities to set the carrying charge rate at the U.S. two-year Treasury bond rate. Given that this is GMG's initial request to establish a CCRA, GMG's ratepayers should not be

⁵ The Department's Information Request and the Company's response can be found in DOC Attachment E.

⁶ Greater Minnesota Gas provided CIP-exempt sales figures to the Department, but according to the Department's CIP engineering staff, the Company does not have any customers who have been approved for CIP-exempt status. The Company appropriately used total sales in its calculations.

⁷ There is a \$1 difference between GMG's Ending Balance and the Department's calculated ending balance, which the Department notes is likely due to rounding error. GMG's ending balance is provided here.

⁸ See *Petition* footnote 1 and the Company's response to Department Information Request No. 1, provided in DOC Attachment E.

subject to a carrying charge for unrecovered amounts. However, once the 3-year amortization period has concluded, it may be reasonable to institute a carrying charge in order to ensure that both ratepayers and the Company are appropriately compensated.

In regards to the Company's reported spending, the Department notes that due to the nature of CIP reporting, CIP expenditures reported in the Company's CIP tracker will not match those reported in the Company's annual CIP status report.⁹ However, the Company did not identify in the instant docket whether Next Generation Energy Act (NGEA) assessments were included in the CIP expenditures figure; furthermore, the Company's NGEA assessments identified in the 2015 CIP Status Report do not match those in the Department's internal records.¹⁰ In reply comments, the Department requests that the Company confirm that NGEA assessments for the full and correct amount were included in the 2015 CIP tracker.

B. GREATER MINNESOTA GAS' PROPOSED CCRA

Minn. Stat. §216B.16, subd. 6b(c) states in relevant part that the Commission "may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements." This annual CIP recovery mechanism is alternatively referred to as the Conservation Cost Recovery Adjustment, CIP Rider, CIP Adjustment Factor, and the Conservation Adjustment Factor.

As GMG indicated in its *Petition*, the Company's CIP expenses have significantly increased since their last rate case, as have their sales. Allowing GMG to impose a CCRA will help mitigate future general rate increases. Therefore, the Department supports GMG's request to establish a CCRA.

Given the relative magnitude of Greater Minnesota Gas' CIP under-recovery, the Company is concerned that the introduction of a CCRA may result in rate shock. Therefore, the Company proposed to amortize the projected 2017 beginning tracker balance over the course of three years. The final CCRA proposed by Greater Minnesota Gas is \$0.18/Dth, the derivation of which is summarized in the following table.

⁹ CIP expenditures in the CIP tracker reflect expenses in the year they were incurred; CIP expenditures reported in the Company's annual Status Report show expenses in the year that savings were claimed.

¹⁰ In the Company's annual CIP Status Report in Docket G022/CIP-12-690.03, the reported NGEA assessments appear to be \$3,500; this figure can be found under "Regulatory & planning" on page 2 of the Company's April 28, 2016 filing. The Department's internal records show that it billed the Company \$6,110 in NGEA assessments in 2015. Minn. Stat. §216B.16, subd. 8 allows the Department or Commissioner of Commerce to assess utilities in order to carry out CIP activities, and Minn. Stat. §216B.16, subd. 2b allows utilities to recover these assessments.

Table 3: Greater Minnesota Gas's Proposed CCRA Calculation

Description	Amount
2017 Beginning Balance	\$314,156
Years Amortized (Yrs)	3
Balance to be Recovered in 2017	\$104,719
CIP Expenditures January-December, 2017	\$201,996
Estimated Base Rate Recoveries (CCRC) January-December, 2017	(\$58,084)
Estimated 2016 DSM Financial Incentive	\$0
Total Proposed to be Recovered Through CCRA	\$248,631
Projected Annual Sales for 2017(Dth)	1,406,400
Proposed CCRA (\$/Dth)	\$0.18

The Department used projected sales provided by the Company to create CIP tracker projections for 2016 and 2017, with the proposed rate of 0.18 in place throughout the course of 2017. The full projections can be found in Attachments B and C, and are summarized in the following table.

Table 4: Summary of Greater Minnesota Gas's Projected 2016 and 2017 Tracker Account Activity

Description	Time Period	2016	2017
Beginning Balance	January 1	\$178,160	\$314,982
CIP Expenditures	January 1 through December 31	\$194,081	\$201,997
Recovery via Base Rates (CCRC)	January 1 through December 31	(\$57,259)	(\$58,084)
Recovery via Adjustment (CCRA)	January 1 through December 31	-	(\$253,152)
Ending Balance	December 31	\$314,982	\$205,743

Typically, the Department recommends that a CCRA be set at a rate that brings the tracker balance back to zero within one year. Aligning expenses and recoveries helps ensure that current ratepayers are the ones paying current costs, and it also avoids imposing these costs on future ratepayers not yet on the system. However, since the Company is proposing to recover costs that were incurred over the past few years (2009 – 2016), responsibility mismatch cannot be avoided at this point. Therefore, the Department supports Greater Minnesota's proposal, and expects that once the projected 2017 tracker balance has been recovered, there will be no need for amortization in the future.

Greater Minnesota Gas' *Petition* did not address customer notification. The Department recommends that the Commission require Greater Minnesota Gas to notify customers of the rate change through bill message in the billing month immediately following the date of the *Order* in the present docket. The Department requests that Greater Minnesota Gas work with the Commission's Consumer Affairs Office and propose a bill message.

Finally, the Department notes that other gas utilities submit their annual CIP tracker and CCRA filings by May 1 of each year. Therefore, the Department recommends a filing date of May 1.

C. GREATER MINNESOTA GAS' HISTORICAL SAVINGS AND SPENDING

In DOC Attachment F, Table 1, the Department presents a historical comparison of GMG's CIP activities during the period 2009 through 2015. Attachment F, Table 1 provides an indication of how the Company's year-end tracker balances, CIP expenditures, and energy savings have changed during that period. Both CIP Expenditures reported in the CIP Tracker and CIP Expenditures reported in the annual status report are included; while the former reflects the actual date of cost incurrence, the latter represents cost recognition at the time the savings associated with those costs were counted.

An analysis of Attachment D, Table 1 indicates that, between 2009 and 2015, the Company's energy savings grew 422% percent. CIP expenditures per the CIP tracker grew 2,544 percent. Greater Minnesota Gas' tracker balance was \$178,161 at the end of 2016; this is the highest tracker balance in the Company's CIP tracker history, and compares with a low of (\$2,363) in 2009.

IV. THE DEPARTMENT'S RECOMMENDATIONS

Based on the analysis provided above, the Department expects to recommend that, subject to GMG developing an appropriate customer notice, the Commission:

- 1) approve Greater Minnesota Gas's 2015 CIP tracker account activities as summarized in Table 2 above;
- 2) require Greater Minnesota Gas to provide monthly data in all future CIP tracker/CCRA filings;
- 3) approve the proposed CCRA of \$0.18/Dth for all of Greater Minnesota Gas's Minnesota customer classes, to be effective January 1, 2017, or on the first billing cycle in the next full month after Commission approval, whichever is later. The approval is conditioned on the Company submitting, within 10 days of the issue date of the *Order* in the present docket, a compliance filing with the relevant tariff sheets and necessary calculations that comply with the Commission's determinations; and
- 4) require the Company to submit annual CIP tracker and CCRA filings by May 1.

The Department requests the GMG provide the following in reply comments:

- confirm that NGEA assessments for the full and correct amount were included in the 2015 CIP tracker; and
- provide a proposed customer notification.

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Table 1: A History of Greater Minnesota Gas's CIP Activities (2009-2015)							
	2009	2010	2011	2012	2013	2014	2015
Achieved Energy Savings (Dth)	1,305	1,711	1,568	1,926	4,155	5,157	6,860
CIP Expenditures (\$)¹	3,675	26,285	16,880	31,716	80,060	112,495	97,173
Year-End Tracker Balance (\$)	(2,363)	3,219	1,064	14,320	62,867	126,990	178,161
Year-End Tracker Balance/CIP Expenditures	(0.64)	0.12	0.06	0.45	0.79	1.13	1.83
Average Cost/Dth Saved (\$/Dth)	2.81	15.36	10.77	16.47	19.27	21.81	14.17

¹ CIP Expenditures here reflect expenses as recorded in the Company's CIP Tracker, which will be different than those reported in the CIP Status Report. The CIP tracker shows expenditures at the time of incurrence, while the Status Report shows expenditures based on the year the savings were counted. CIP Expenditures reported here can be found in the Company's *Petition*, Exhibit B.

State of Minnesota
DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

Nonpublic ☐Public ☒

Utility Information Request

Docket Number: G022/M-16-494

Date of Request: 7/26/2016

Requested From: Greater Minnesota Gas, Inc.

Response Due: 8/5/2016

Analyst Requesting Information: Danielle Winner

Type of Inquiry: ☐.....Financial ☐.....Rate of Return ☐.....Rate Design
☐.....Engineering ☐.....Forecasting ☐.....Conservation
☐.....Cost of Service ☐.....CIP ☐.....Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
1	<p>Reference: CIP Projections</p> <p>Questions:</p> <ol style="list-style-type: none"> Please provide actual CIP expenses, Mcf sales, and CIP-exempt sales for each month of 2015 and for each month of 2016 in which this information is available. Please provide estimated CIP expenses, Mcf sales, and CIP-exempt sales for each month of 2017 and for each month of 2016 in which historical data is not yet available. Please provide estimated Financial Incentive figures for CIP activities performed in 2016 and 2017.

GMG RESPONSE:

(1) GMG's actual CIP expenses, Mcf sales, and CIP-exempt sales for each month of 2015 appear in the table below:

	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	TOTAL
TOTAL CIP Expenses	7,500	3,350	5,250	4,950	16,268	3,350	500	15,713	3,450	6,935	16,902	13,005	97,173
MCF Sales													
Sales	170,865.5	171,824.7	139,084.6	87,433.1	49,176.8	31,746.9	26,344.8	39,938.6	36,636.8	58,208.0	104,248.7	117,502.7	1,033,011.2
Transport	7,799.0	9,253.0	11,097.0	11,203.0	6,820.0	2,048.0	846.0	1,081.0	2,319.0	5,373.8	7,472.5	15,544.7	80,857.0
TOTAL MCF Sales	178,664.5	181,077.7	150,181.6	98,636.1	55,996.8	33,794.9	27,190.8	41,019.6	38,955.8	63,581.8	111,721.2	133,047.4	1,113,868.2
CIP Exempt MCF Sales	5,015	5,616	3,456	1,891	800	217	194	181	239	1,675	3,816	6,273	29,373

Response by: Kristine Anderson

List sources of information:

Title: Corporate Attorney

Department: _____

Telephone: 507-665-8657

GMG's actual CIP expenses, Mcf sales, and CIP-exempt sales for the months of January through May of 2016 appear in the table below:

	Jan 16	Feb 16	Mar 16	Apr 16	May 16
TOTAL CIP Expenses	18,380	7,000	15,883	5,335	12,723
MCF Sales					
Sales	179,368.1	187,609.6	112,255.4	89,294.2	57,600.0
Transport	23,602.1	28,109.5	19,826.8	7,946.6	9,968.9
TOTAL MCF Sales	202,970.2	215,719.1	132,082.2	97,240.8	67,568.9
CIP Exempt MCF Sales	8,720	6,951	4,378	3,199	986

(2) GMG's estimated CIP expenses, Mcf sales, and CIP-exempt sales for June through December of 2016 appear in the table below:

	Estimated Jun 16	Estimated Jul 16	Estimated Aug 16	Estimated Sep 16	Estimated Oct 16	Estimated Nov 16	Estimated Dec 16	TOTAL
TOTAL CIP Expenses	7,540	1,130	35,380	7,770	15,610	38,050	29,280	194,082
MCF Sales								
Sales	36,658.3	30,138.9	30,013.2	37,961.0	61,638.7	145,277.5	183,891.8	1,151,706.7
Transport	4,487.5	3,019.8	6,358.6	14,947.9	22,347.0	30,744.0	63,351.0	234,709.7
TOTAL MCF Sales	41,145.8	33,158.7	36,371.8	52,908.9	83,985.7	176,021.5	247,242.8	1,386,416.5
CIP Exempt MCF Sales	200	200	200	200	1,700	3,800	6,300	36,834

GMG's estimated CIP expenses, Mcf sales, and CIP-exempt sales for each month of 2017 appear in the table below:

	Estimated Jan 17	Estimated Feb 17	Estimated Mar 17	Estimated Apr 17	Estimated May 17	Estimated Jun 17	Estimated Jul 17	Estimated Aug 17	Estimated Sep 17	Estimated Oct 17	Estimated Nov 17	Estimated Dec 17	TOTAL
TOTAL CIP Expenses	19,130	7,285	16,531	5,553	13,242	7,847	1,176	36,823	8,087	16,247	39,602	30,474	201,996
MCF Sales													
Sales	208,443.9	218,021.4	130,452.2	103,768.9	66,937.0	42,600.7	35,024.5	34,878.4	44,114.5	71,630.4	168,827.2	213,701.0	1,338,400.0
Transport	6,838.0	8,143.9	5,744.2	2,302.3	2,888.2	1,300.1	874.9	1,842.2	4,330.7	6,474.4	8,907.1	18,354.0	68,000.0
TOTAL MCF Sales	215,281.9	226,165.2	136,196.4	106,071.2	69,825.2	43,900.8	35,899.4	36,720.6	48,445.2	78,104.8	177,734.3	232,055.0	1,406,400.0
CIP Exempt MCF Sales	9,000	7,200	4,500	3,300	1,000	200	200	200	200	1,800	3,900	6,500	38,000

(3) GMG's estimated Financial Incentive figure for CIP activities performed in 2016 and 2017 is \$0.00 because GMG has neither instituted nor recommended instituting a financial incentive for CIP activities at this time. As discussed in the Petition for Approval of CIP Recovery Rider on page 3, footnote 1, GMG has proposed incorporating a line item for incentive in its adjustment calculator but, for the current period, proposes setting the amount at \$0.00. GMG has not proposed an active incentive plan at this time due to the substantial changes to its Triennial Plan and its desire to minimize the rate impact of the CIP Rider on its customers. GMG anticipates proposing an incentive plan following the first year of the next triennial when it has empirical data available.

Response by: Kristine Anderson

List sources of information:

Title: Corporate Attorney

Department: _____

Telephone: 507-665-8657

Greater Minnesota Gas
CIP Tracker and Balance
2015 Actual

	Jan-15 Actual	Feb-15 Actual	Mar-15 Actual	Apr-15 Actual	May-15 Actual	Jun-15 Actual	Jul-15 Actual	Aug-15 Actual	Sep-15 Actual	Oct-15 Actual	Nov-15 Actual	Dec-15 Actual	Annual Summary
Expenses													
1 Beginning Balance- Under/(Over) Recovered	126,990	127,111	122,983	122,030	122,906	136,862	138,816	138,193	152,212	154,053	158,362	170,650	126,990
2 CIP Expenses	7,500	3,350	5,250	4,950	16,268	3,350	500	15,713	3,450	6,935	16,902	13,005	97,173
3 Financial Incentive													
4 Additional Adjustments													
5 Total Balance, Expenses, Adjustments, Incentive (Lines 1+2+3+4)	134,490	130,461	128,233	126,980	139,174	140,212	139,316	153,906	155,662	160,988	175,264	183,655	224,163
Recoveries													
6 Total Sales (Dth)	178,664.5	181,077.7	150,181.6	98,636.1	55,996.8	33,794.9	27,190.8	41,019.6	38,955.8	63,581.8	111,721.2	133,047.4	1,113,868.2
7 CIP-Exempt Sales (Dth)	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Total CIP-Applicable Sales (Dth) (Line 6 - Line 7)	178,664.5	181,077.7	150,181.6	98,636.1	55,996.8	33,794.9	27,190.8	41,019.6	38,955.8	63,581.8	111,721.2	133,047.4	1,113,868.2
9 Base Rate (CCRC) (\$/Dth)	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413
10 Base Rate (CCRC) Recovery (\$) (Line 8 * Line 9)	(7,378.84)	(7,478.51)	(6,202.50)	(4,073.67)	(2,312.67)	(1,395.73)	(1,122.98)	(1,694.11)	(1,608.87)	(2,625.93)	(4,614.09)	(5,494.86)	(46,003)
11 Adjustment Factor (CCRA) (\$/Dth)													
12 Adjustment Factor (CCRA) Recovery (\$) (Line 8 * Line 11)													
13 Total Recoveries (\$) (Line 10 + Line 12)	(7,378.84)	(7,478.51)	(6,202.50)	(4,073.67)	(2,312.67)	(1,395.73)	(1,122.98)	(1,694.11)	(1,608.87)	(2,625.93)	(4,614.09)	(5,494.86)	(46,003)
Carrying Charges													
14 Sub-Balance (\$) (Line 5 + Line 13)	127,111.16	122,982.65	122,030.15	122,906.48	136,861.81	138,816.08	138,193.10	152,211.99	154,053.11	158,362.19	170,650.10	178,160.24	178,160
15 Carrying Charge Rate													
16 Carrying Charges (\$) (Line 14 * Line 15)													-
17 Ending Tracker Balance (\$) - Under/(Over) Recovered (Line 12 + Line 14)	127,111.16	122,982.65	122,030.15	122,906.48	136,861.81	138,816.08	138,193.10	152,211.99	154,053.11	158,362.19	170,650.10	178,160.24	178,160

Greater Minnesota Gas
CIP Tracker and Balance
2016 Forecast

Expenses		Jan-16 Actual	Feb-16 Actual	Mar-16 Actual	Apr-16 Actual	May-16 Actual	Jun-16 Projected	Jul-16 Projected	Aug-16 Projected	Sep-16 Projected	Oct-16 Projected	Nov-16 Projected	Dec-16 Projected	Annual Summary
1	Beginning Balance- Under/(Over) Recovered	178,160	188,158	186,248	196,676	197,995	207,928	213,768	213,529	247,407	252,992	265,133	295,913	178,160
2	CIP Expenses	18,380	7,000	15,883	5,335	12,723	7,540	1,130	35,380	7,770	15,610	38,050	29,280	194,081
3	Financial Incentive													
4	Additional Adjustments													-
5	Total Balance, Expenses, Adjustments, Incentive (Lines 1+2+3+4)	196,540	195,158	202,131	202,011	210,718	215,468	214,898	248,909	255,177	268,602	303,183	325,193	372,241
Recoveries														
6	Total Sales (MCF)	202,970.2	215,719.1	132,082.2	97,240.8	67,568.9	41,145.8	33,158.7	36,371.8	52,908.9	83,985.7	176,021.5	247,242.8	1,386,416.4
7	CIP-Exempt Sales (MCF)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total CIP-Applicable Sales (MCF) (Line 6 - Line 7)	202,970.2	215,719.1	132,082.2	97,240.8	67,568.9	41,145.8	33,158.7	36,371.8	52,908.9	83,985.7	176,021.5	247,242.8	1,386,416.4
9	Base Rate (CCRC) (\$/Dth)	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	
10	Base Rate (CCRC) Recovery (\$) (Line 8*Line 9)	(8,383)	(8,909)	(5,455)	(4,016)	(2,791)	(1,699)	(1,369)	(1,502)	(2,185)	(3,469)	(7,270)	(10,211)	(57,259)
11	Adjustment Factor (CCRA) (\$/Dth)													
12	Adjustment Factor (CCRA) Recovery (\$) (Line 8 * Line 11)													
13	Total Recoveries (\$) (Line 10 + Line 12)	(8,383)	(8,909)	(5,455)	(4,016)	(2,791)	(1,699)	(1,369)	(1,502)	(2,185)	(3,469)	(7,270)	(10,211)	(57,259)
Carrying Charges														
14	Sub-Balance (\$) (Line 5 + Line 13)	188,158	186,248	196,676	197,995	207,928	213,768	213,529	247,407	252,992	265,133	295,913	314,982	314,982
15	Carrying Charge Rate													
16	Carrying Charges (\$) (Line 14 * Line 15)													
17	Ending Tracker Balance (\$) - Under/(Over) Recovered (Lines 14 + 16)	188,158	186,248	196,676	197,995	207,928	213,768	213,529	247,407	252,992	265,133	295,913	314,982	314,982

Note: Adjustment of (1,213.10) for CIP-Exempt customer over-recovery during 2015

Greater Minnesota Gas
CIP Tracker and Balance
2017 Forecast: CCRA set to 0.18

Expenses		Jan-17 Projected	Feb-17 Projected	Mar-17 Projected	Apr-17 Projected	May-17 Projected	Jun-17 Projected	Jul-17 Projected	Aug-17 Projected	Sep-17 Projected	Oct-17 Projected	Nov-17 Projected	Dec-17 Projected	Annual Summary
1	Beginning Balance- Under/(Over) Recovered	314,982	286,470	243,705	230,096	212,175	209,965	208,097	201,328	230,025	227,391	226,353	226,623	314,982
2	CIP Expenses	19,130	7,285	16,531	5,553	13,242	7,847	1,176	36,823	8,087	16,247	39,602	30,474	201,997
3	Financial Incentive													
4	Additional Adjustments													
5	Total Balance, Expenses, Adjustments, Incentive (Lines 1+2+3+4)	334,112	293,755	260,236	235,649	225,417	217,812	209,273	238,151	238,112	243,638	265,955	257,097	516,979
Recoveries														
6	Total Sales (MCF)	215,282	226,165	136,196	106,071	69,825	43,901	35,899	36,721	48,445	78,105	177,734	232,055	1,406,400
7	CIP-Exempt Sales (MCF)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total CIP-Applicable Sales (MCF) (Line 6 - Line 7)	215,282	226,165	136,196	106,071	69,825	43,901	35,899	36,721	48,445	78,105	177,734	232,055	1,406,400
9	Base Rate (CCRC) (\$/Dth)	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	0.0413	
10	Base Rate (CCRC) Recovery (\$) (Line 8*Line 9)	(8,891)	(9,341)	(5,625)	(4,381)	(2,884)	(1,813)	(1,483)	(1,517)	(2,001)	(3,226)	(7,340)	(9,584)	(58,084)
11	Adjustment Factor (CCRA) (\$/Dth)	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	
12	Adjustment Factor (CCRA) Recovery (\$) (Line 8 * Line 11)	(38,751)	(40,710)	(24,515)	(19,093)	(12,569)	(7,902)	(6,462)	(6,610)	(8,720)	(14,059)	(31,992)	(41,770)	(253,152)
13	Total Recoveries (\$) (Lines 10 + 12)	(47,642)	(50,050)	(30,140)	(23,474)	(15,452)	(9,715)	(7,945)	(8,126)	(10,721)	(17,285)	(39,333)	(51,354)	(311,236)
Carrying Charges														
14	Sub-Balance (\$) (Lines 5 + 13)	286,470	243,705	230,096	212,175	209,965	208,097	201,328	230,025	227,391	226,353	226,623	205,743	205,743
15	Carrying Charge Rate													
16	Carrying Charges (\$) (Line 14 * Line 15)													
17	Ending Tracker Balance (\$) - Under/(Over) Recovered (Lines 14 + 16)	286,470	243,705	230,096	212,175	209,965	208,097	201,328	230,025	227,391	226,353	226,623	205,743	205,743