

PUBLIC VERSION TRADE SECRET INFORMATION REDACTED

April 19, 2017

Via Electronic Filing

Mr. Daniel Wolf Executive Secretary Minnesota Public Utilities Commission 121 Seventh Place East, Suite 350 St. Paul, MN 55101-2147

Re: In the Matter of the Petition of Dooley's Natural Gas II, LLC for Exemption for Small Gas Utility Franchise, Docket No. G6915/M-16-756

Dooley's Natural Gas II, LLC Responses to Staff Information Requests No. 1-12

Dear Mr. Wolf:

Please find attached Dooley's Natural Gas II, LLC's Responses to Commission Staff Information Requests Nos. 1-12. DNG II considers the Customer Energy Usage Data (CEUD) set forth in responses to Information Request Nos. 5 and 7 to be **TRADE SECRET INFORMATION**. Due to the the very small number of customers in each township, a customer's specific CEUD could be extrapolated absent confidential/Trade Secret treatment. System mapping included as Attachments to the responses to Information Requests Nos. 8-10 are also designated as **TRADE SECRET INFORMATION**, the disclosure of which could raise safety concerns or cause economic harm to DNG II or its customers.

Pursuant to Minn. Stat. § 13.37, subd. 1(b), the trade secret information set forth in the in responses to Information Requests Nos. 5, 7 and 8-10 is properly designated by DNG II because it: (1) is being supplied by DNG II; (2) is the subject of reasonable efforts by DNG II to maintain its secrecy; and (3) derives independent economic value, actual or potential, from not being generally known to or accessible by the public. DNG II has identified the Trade Secret and other Non-Public Information in its responses pursuant to Minn. R. 7829.0500.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

/s/ Brian Meloy

Brian Meloy

Cc: Jason Bonnett, Commission Staff

| This question is: | | Trade Secret | |
|-------------------|---|--------------|--|
| | X | Public | |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| - | | | | |
|---|-----------------|----------------|---|--------------|
| | Financial | Rate of Return | | Rate Design |
| | Engineering | Forecasting | | Conservation |
| Ī | Cost of Service | CIP | Х | Other: Legal |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|---|
| 1 | Please fully explain how and why the Company's service to the southern service area (served by the Grove City interconnect) meets the definition of "incidental" pursuant to Minnesota Statute \$216B.16, subdivision 12(b)? As part of the response, please address the issue of the southern service area being physically separate from the municipalities requesting the exemption. |

DNG II Response:

Service to rural customers outside Brooten and Belgrade can be appropriately categorized as "incidental" under Minn. Stat. § 216B.16, Subd. 12 based on the unique facts circumstances presented by the DNG II system.

Initially, DNG II agrees with the Department's analysis that the focus should be on the number of customers located outside the Cities of Brooten and Belgrade – rather than any geographic or load based metric. The exemption for small gas utilities provided for in Minnesota Statutes is very clear that qualification is tied to the number of customers the small utility serves. In particular, Minn. Stat. § 216B.16, Subd. 12(A) provides:

A municipality may file with the commission a resolution of its governing body requesting exemption from the provisions of this section for a public utility that is under a franchise with the municipality to supply natural, manufactured, or mixed gas and that serves 650 or fewer customers in the municipality as long as the public utility serves no more than a total of 5,000 customers. [Emphasis added.]

As is apparent, the sole focus is on number of "customers" served. There is no geographic or load based metric or threshold in the statute. Therefore, any determination regarding whether service outside the Cities is "incidental" is appropriately focused on the number of customers that receive "service provided outside of a municipality's border."

In this case, there are twenty-one (21) customers outside the municipal boundaries of Brooten and Belgrade – only thirteen (13) of which are served by the "southern system." This is less than 9% of the current customers on the system. Each of these customers decided it was in their interests to take gas service from DNG II based on the current rate structure and with the understanding that the Cities would regulate the system.

In exercising its discretion in determining what constitutes "incidental" service, the fact that DNG II serves less than 25 customers outside the Cities is an important fact for the Commission to consider. In defining what constitutes a "public utility" subject to Commission regulation, Minn. Stat. § 216B.02, Subd. 4 provides that "no person shall be deemed to be a public utility if it produces or furnishes service to less than 25 persons." In this respect, regulation by the Commission is again tied to the number of customers served by the utility. Brooten and Belgrade would be the regulating entity for less than 25 customers – fewer than would subject a "person" to being designated a "public utility" under Minn. Stat. § 216B.02, Subd. 4.

Furthermore, it is noteworthy that a "person" could theoretically supply gas to DNG II's twenty-one (21) rural customers without any meaningful regulatory oversight by the Commission. In contrast, under the small gas utility exemption, these customers may raise any concerns with DNG II rates or terms and conditions of service with the Commission. In particular, Minn. Stat. § 216B.16, Subd. 12(D) provides that "[i]n all cases covered by this subdivision in which an exemption for service outside of a municipality is granted, the commission may initiate an investigation under section 216B.17, on its own motion or upon complaint from a customer." Coupled with the small number of customers served by DNG II, this fact mitigates any impact due to the systems being geographically separate.

Applying a geographic metric would also fail to recognize the fact that unserved areas of Minnesota are rural, sparsely populated and largely agricultural. Gas must be delivered over a long distance from an interstate pipeline to serve disparate pockets of customers. DNG II decided not to connect its two distribution pipelines because there is not sufficient load between the two systems to make it economical for all customers. Connecting the pipeline for the purpose of meeting an "incidental" threshold would simply raise costs for all customers.

In addition, applying a geographic or load based metric can lead to unintended and anomalous results that would undermined the small utility exemption. Rural or "incidental" customers along the route should not be denied service because of some fear that a load or distance based metric could be triggered that would defeat the exemption. Deciding, for instance, not to add a large customer along the route simply because it (1) may increase the "incidental" load served beyond some predetermined threshold; or (2) is geographically distant from the regulating City, is not good policy and would undermine legislative goals.

Through recent actions, the Minnesota legislature has emphasized the goal of expanding economic opportunities for rural Minnesota through the provisions of natural gas service as an alternative to propane. This is reflected in the recent amendment to Minn. Stat. § 216B.16, Subd. 12 which increased the total customer limit

2

¹The customer numbers shown in responses to Information Requests Nos. 5 and 7 shows that there are thirteen (13) customers outside of the Cities on the "northern system" and seventeen (17) on the "southern system." However, this count overstates the number of customers because a single agricultural customer represents five (5) customers in each territory because it has operations in five (5) different townships in both the northern and southern areas.

from 2,000 to 5,000. There is a clear recognition that there is value in exempt utilities providing gas service to previously unserved areas in rural Minnesota. DNG II believes that such intent should factor into the Commission's decision-making process.

Response By: Brian Meloy, Counsel for DNG II

| This question is: | | Trade Secret | |
|-------------------|---|--------------|--|
| | Χ | Public | |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| Financial | Rate of Return | | Rate Design |
|-----------------|----------------|---|--------------|
| Engineering | Forecasting | | Conservation |
| Cost of Service | CIP | Х | Other: Legal |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|---|
| 2 | The Minnesota Department of Commerce, Division of Energy Resources, on page 9 of its November 15, 2016, <i>Comments</i> , mention a possible expansion to neighboring communities. Please identify your current plans to expand your service territory and fully discuss. |
| | a) Would it be under the same LLC?b) Would future expansion bring the northern and southern portions of the present LLC in closer physical proximity to each other?c) Are there any plans to interconnect the two service areas? |

DNG II Response:

While DNG II is always evaluating opportunities to expand natural gas service in a manner consistent with the small gas utility exemption, DNG II does not have any current plans to expand the system beyond its existing footprint. As noted in response to Information Request No. 3, within the existing footprint, DNG II is considering extending service to the City of Regal. DNG II will inform the Commission if it expands the system.

- (a). If the DNG II system is expanded in the future, DNG II does not anticipate that another LLC would be formed. If Dooley's considers providing gas service to a new geographic area, a new LLC could be formed.
- (b). It is unlikely that any future expansion would bring the two systems closer together due to population and load demographics in the area.
- (c) No. DNG II does not have any plans to connect the two service areas.

| This question is: | | Trade Secret | |
|-------------------|---|--------------|--|
| | X | Public | |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| Financial | Rate of Return | | Rate Design |
|-----------------|----------------|---|--------------|
| Engineering | Forecasting | | Conservation |
| Cost of Service | CIP | Х | Other: Legal |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|---|
| Number | |
| 3 | With the understanding that Hawick is an unincorporated cluster of houses in Roseville Township and Regal and Grove City are municipalities, please respond to the following. |
| | a) Fully explain the statement on page 3, footnote 6 of the petition where it states: "The townships in the service territory include Hawick, Regal and Grove City, though DNG II does not provide service within the towns at this point." |
| | b) Is it your intention to serve the municipalities of Regal and Grove City at some point in the future? |
| | c) Fully explain your understanding of Minn. Stat. § 216B.16, subd. 12, and the providing of services in municipalities? |

DNG II Response:

- (a). DNG II was referring to the fact that it has not extended its distribution system into these small communities, which for Hawick is a cluster of a few residences and Regal a larger cluster of residences. Grove City receives gas service from CenterPoint Energy.
- (b). DNG II is evaluating expanding gas service to residences within Regal. If such service is extended, DNG II anticipates that it would do so pursuant to a franchise agreement with Regal pursuant to the small gas utility exemption. DNG II has no plans to serve Grove City.
- (c) *See* Response to Information Request No. 1. In addition, should DNG II extend service into the City of Regal, Minn. Stat. § 216B.16, subd. 12 would require that Regal grant a franchise to DNG II and file with the Commission a resolution requesting a small gas utility exemption for DNG II. Regal would also be required to show that DNG II would serve 650 or fewer customers in the municipality.

Response By: Randy Dooley, President and Brian Meloy, Counsel for DNG II

| This question is: | | Trade Secret | |
|-------------------|---|--------------|--|
| | X | Public | |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| - 71 | | | | |
|------|-----------------|----------------|---|--------------|
| | Financial | Rate of Return | | Rate Design |
| | Engineering | Forecasting | | Conservation |
| | Cost of Service | CIP | Х | Other: Legal |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|---|
| 4 | Please provide a list of any, and all municipalities, townships, towns, and unincorporated communities located within the northern service area (served by the Roscoe interconnect) of the service territory of Dooley's Natural Gas II, LLC. |

DNG II Response:

| Munson, Township | Roscoe, MN | Roseville, Township |
|-----------------------------|----------------------|----------------------|
| Zion, Township | Regal, MN | Burbank, Township |
| Hawick, MN (unincorporated) | Lake Henry, Township | Crow River, Township |
| Crow Lake, Township | North Fork, Township | Belgrade, MN |
| Brooten, MN | | |

| This question is: | | Trade Secret |
|-------------------|---|--------------|
| | X | Public |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| | Financial | Rate of Return | X | Rate Design |
|--|-----------------|----------------|---|--------------|
| | Engineering | Forecasting | | Conservation |
| | Cost of Service | CIP | | Other: |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|--|
| 5 | For each of the municipalities, townships, and unincorporated communities listed in response to Q.4, above please provide a table that identifies by customer class, the number of residential, commercial and industrial customers currently receiving service along with their level of consumption. |

DNG II Response:

Please see the customer count and usage tables below. Because many of larger customers have multiple meters within a township, DNG II classified each customer in Table 1 based upon their primary customer class. For instance, a large agricultural customer may have a residential meter, an agricultural heating meter and an agricultural dying meter. If that customer's primary usage is agricultural drying, it is classified as belonging to the agricultural drying customer class as shown in Table 1. However, the usage shown in Table 2 captures the portion of the customer's usage attributable to non-primary customer classes.

DNG II considers the Customer Energy Usage Data (CEUD) set forth in Table 2 to be **TRADE SECRET INFORMATION**. Because of the very small number of customers in each township, a customer's specific CUED could be extrapolated absent confidential/Trade Secret treatment. Such disclosure could cause economic

harm DNG II or its customers. Pursuant to Minn. Stat. § 13.37, subd. 1(b), the trade secret information set forth in Table 2 is properly designated by DNG II because it: (1) is being supplied by DNG II; (2) is the subject of reasonable efforts by DNG II to maintain its secrecy; and (3) derives independent economic value, actual or potential, from not being generally known to or accessible by the public. DNG II has identified the Trade Secret and other Non-Public Information in its responses pursuant to Minn. Rule 7829.0500.

Table 1

| # Cust. | Primary Customer Class | | | | | | | | |
|-----------|------------------------|------------|------------|---------|--------|---------|--|--|--|
| | | | | Ag | Ag | | | | |
| | Residential | Commercial | Industrial | Heating | Drying | Totals* | | | |
| Munson | | | | | | 0 | | | |
| Roscoe | | | | | | 0 | | | |
| Roseville | | | | 1 | | 1 | | | |
| Zion | 1 | | | | | 1 | | | |
| Regal | | | | | | 0 | | | |
| Burbank | | | | 1 | 1 | 2 | | | |
| Hawick | | | | | | 0 | | | |
| Lake | | | | | | | | | |
| Henry | | | | | | 0 | | | |
| Crow | | | | | | | | | |
| River | 1 | | 1 | 1 | | 3 | | | |
| Crow | | | | | | | | | |
| Lake | 1 | 1 | | | 2 | 4 | | | |
| North | | | | | | | | | |
| Fork | | | | 1 | 1 | 2 | | | |
| Belgrade | 104 | 21 | | | 1 | 126 | | | |
| Brooten | 89 | 11 | 1 | | | 101 | | | |
| Totals: | 196 | 33 | 2 | 4 | 5 | | | | |

^{*}Of note, one customer has operations in 5 townships. This single customer represents five of the thirteen customers listed in Table 1 above.

Table 2
[TRADE SECRET INFORMATION BEGINS

| # Cust. | Customer Usage (2016 Annual) | | | | | | | | |
|---------|------------------------------|------------|------------|------------|--------|--------|--|--|--|
| | | | Ag | Total | | | | | |
| | Residential | Commercial | Industrial | Ag Heating | Drying | Therms | | | |
| Munson | | | | | | | | | |
| Roscoe | | | | | | | | | |

| # Cust. | Customer Usage (2016 Annual) | | | | | | | | | |
|---------------|------------------------------|------------|------------|------------|--------------|-----------------|--|--|--|--|
| | Residential | Commercial | Industrial | Ag Heating | Ag Drying | Total Therms | | | | |
| Roseville | | | | | | | | | | |
| Zion | | | | | | | | | | |
| Regal | | | | | | | | | | |
| Burbank | | | | | | | | | | |
| Hawick | | | | | | | | | | |
| Lake Henry | | | | | | | | | | |
| Crow River | | | | | | | | | | |
| Crow Lake | | | | | | | | | | |
| North Fork | | | | | | | | | | |
| Belgrade | | | | | | | | | | |
| Brooten | | | | | | | | | | |
| Total Therms: | | | | | | | | | | |

TRADE SECRET INFORMATION ENDS]

| This question is: | | Trade Secret |
|-------------------|---|--------------|
| <u>-</u> | X | Public |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| Financial | Rate of Return | | Rate Design |
|-----------------|----------------|---|--------------|
| Engineering | Forecasting | | Conservation |
| Cost of Service | CIP | Х | Other: Legal |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|---|
| 6 | Please provide a list of any, and all municipalities, townships, towns, and unincorporated communities located within the southern service area (served by the Grove City interconnect) of the service territory of Dooley's Natural Gas II, LLC. |

DNG II Response:

| Acton, Township | Litchfield, MN | Swede Grove, Township |
|--------------------|-----------------|-----------------------|
| Manannah, Township | Union Grove, MN | Paynesville, Township |

| This question is: | | Trade Secret |
|-------------------|---|--------------|
| | Χ | Public |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| Financial | Rate of Return | Х | Rate Design |
|-----------------|----------------|---|--------------|
| Engineering | Forecasting | | Conservation |
| Cost of Service | CIP | | Other: |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|--|
| 7 | For each of the municipalities, townships, and unincorporated communities listed in response to Q.6, above please provide a table that identifies by customer class, the number of residential, commercial and industrial customers currently receiving service along with their level of consumption. |

DNG II Response:

Please see the customer count and usage tables below. Because many of larger customers have multiple meters within a township, DNG II classified each customer in Table 1 based upon their primary customer class. For instance, a large agricultural customer may have a residential meter, an agricultural heating meter and an agricultural dying meter. If that customer's primary usage is agricultural drying, it is classified as belonging to the agricultural drying customer class as shown in Table 1. However, the usage shown in Table 2 captures the portion of the customer's usage attributable to non-primary customer classes.

DNG II considers the Customer Energy Usage Data (CEUD) set forth in Table 2 to be **TRADE SECRET INFORMATION**. Because of the very small number of customers in each township, a customer's specific

CUED could be extrapolated absent confidential/Trade Secret treatment. Such disclosure could cause economic harm DNG II or its customers. Pursuant to Minn. Stat. § 13.37, subd. 1(b), the trade secret information set forth in Table 2 is properly designated by DNG II because it: (1) is being supplied by DNG II; (2) is the subject of reasonable efforts by DNG II to maintain its secrecy; and (3) derives independent economic value, actual or potential, from not being generally known to or accessible by the public. DNG II has identified the Trade Secret and other Non-Public Information in its responses pursuant to Minn. Rule 7829.0500.

Table 1

| # Cust. | Primary Customer Class | | | | | | | | |
|-------------|------------------------|------------|------------|---------------|--------------|---------|--|--|--|
| | Residential | Commercial | Industrial | Ag Heating | Ag Drying | Totals* | | | |
| Acton | 1 | | | 1 | | 2 | | | |
| Litchfield | | | | 1 | | 1 | | | |
| Swede Grove | 3 | | | 1 | 3 | 7 | | | |
| Manannah | 1 | | | 1 | | 2 | | | |
| Union Grove | 1 | 1 | | 1 | | 3 | | | |
| Paynesville | 1 | | | 1 | | 2 | | | |
| Totals: | 7 | 1 | 0 | 6 | 3 | | | | |

^{*}Of note, one customer has operations in 5 townships. This single customer represents five of the seventeen customers listed in Table 1 above.

Table 2

[TRADE SECRET INFORMATION BEGINS

| # Cust. | Customer Usage | | | | | | | | | |
|-------------|----------------|------------|------------|------------|--------|--------|--|--|--|--|
| | | | | | Ag | Total | | | | |
| | Residential | Commercial | Industrial | Ag Heating | Drying | Therms | | | | |
| Acton | | | | | | | | | | |
| Litchfield | | | | | | | | | | |
| Swede | | | | | | | | | | |
| Grove | | | | | | | | | | |
| Manannah | | | | | | | | | | |
| Union | | | | | | | | | | |
| Grove | | | | | | | | | | |
| Paynesville | | | | | | | | | | |
| Total | | | | | | | | | | |
| Therms: | | | | | | | | | | |

TRADE SECRET INFORMATION ENDS

| This question is: | | Trade Secre | |
|-------------------|---|-------------|--|
| | Х | Public | |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| | Financial | Rate of Return | Rate Design |
|---|-----------------|----------------|--------------|
| Х | Engineering | Forecasting | Conservation |
| | Cost of Service | CIP | Other: |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|---|
| 8 | Please provide a detailed street map showing the location of the main lines within the municipal boundaries of Belgrade, Minnesota. |

DNG II Response:

Please see Attachment IR 8 MAP. DNG II considers the Map to be **TRADE SECRET INFORMATION**, the disclosure of which could raise safety concerns or cause economic harm to DNG II. Pursuant to Minn. Stat. § 13.37, subd. 1(b), the trade secret information set forth in the Map is properly designated by DNG II because it: (1) is being supplied by DNG II; (2) is the subject of reasonable efforts by DNG II to maintain its secrecy; and (3) derives independent economic value, actual or potential, from not being generally known to or accessible by the public. DNG II has identified the Trade Secret and other Non-Public Information in its responses pursuant to Minn. Rule 7829.0500.

TRADE SECRET INFORMATION REDACTED

[TRADE SECRET INFORMATION BEGINS

| This question is: | | Trade Secret |
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| | X | Public |

Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| | Financial | Rate of Return | Rate Design |
|---|-----------------|----------------|--------------|
| Х | Engineering | Forecasting | Conservation |
| | Cost of Service | CIP | Other: |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|--|
| 9 | Please provide a detailed street map showing the location of the main lines within the municipal boundaries of Brooten, Minnesota. |

DNG II Response:

Please see Attachment IR 9 MAP. DNG II considers the Map to be **TRADE SECRET INFORMATION**, the disclosure of which could raise safety concerns or cause economic harm to DNG II. Pursuant to Minn. Stat. § 13.37, subd. 1(b), the trade secret information set forth in the Map is properly designated by DNG II because it: (1) is being supplied by DNG II; (2) is the subject of reasonable efforts by DNG II to maintain its secrecy; and (3) derives independent economic value, actual or potential, from not being generally known to or accessible by the public. DNG II has identified the Trade Secret and other Non-Public Information in its responses pursuant to Minn. Rule 7829.0500.

TRADE SECRET INFORMATION REDACTED

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|-------------------|---|-------------|--|--|
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Utility Information Request

Docket Number: G-6915/M-16-756 Date of Request: April 5, 2017

Requested From: Dooley's Natural Gas II, LLC Response Due: April 17, 2017

Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| 772 | Financial | Rate of Return | Rate Design |
|-----|-----------------|----------------|--------------|
| Х | Engineering | Forecasting | Conservation |
| | Cost of Service | CIP | Other: |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|---|
| 10 | Please provide a detailed street map showing the location of the mains, distribution, and service lines outside of the municipal boundaries of Belgrade and Brooten, Minnesota. |

DNG II Response:

Please see Attachment IR 10 MAP. DNG II considers the Map to be **TRADE SECRET INFORMATION**, the disclosure of which could raise safety concerns or cause economic harm to DNG II. Pursuant to Minn. Stat. § 13.37, subd. 1(b), the trade secret information set forth in the Map is properly designated by DNG II because it: (1) is being supplied by DNG II; (2) is the subject of reasonable efforts by DNG II to maintain its secrecy; and (3) derives independent economic value, actual or potential, from not being generally known to or accessible by the public. DNG II has identified the Trade Secret and other Non-Public Information in its responses pursuant to Minn. Rule 7829.0500.

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Analyst Requesting Information: Jason Bonnett

Type of Inquiry:

| Financial | Rate of Return | | Rate Design |
|-----------------|----------------|---|------------------|
| Engineering | Forecasting | | Conservation |
| Cost of Service | CIP | Х | Other: Marketing |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|--|
| 11 | Please provide any, and all marketing materials used currently and in the past to solicit customers outside of the municipal boundaries of the Cities of Belgrade and Brooten, MN. |

DNG II Response:

DNG II has not used formal marketing materials. However, DNG II had numerous in-person discussions with potential customers prior to developing the system, including larger agricultural interests in the area. Prior to the availability of natural gas in this area, DNG II's affiliate, Dooley's Petroleum, Inc., provided propane to many of the same customers now receiving natural gas service. In this respect, DNG II's provision of natural gas service is a continuation of a long-term relationship with these customers.

| This question is: | | Trade Secret |
|-------------------|----------|--------------|
| | <u> </u> | Public |

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| Engineering | Forecasting | | Conservation |
| Cost of Service | CIP | Х | Other: Legal |

If you feel your responses are proprietary, please indicate.

| Request Number | |
|-------------------|--|
| 12 | Please fully identify and describe your policy for extending service to customers outside the municipal boundaries of the Cities of Belgrade and Brooten, MN? Have you denied any requests for service from customers outside the municipal boundaries of the Cities of Belgrade and Brooten, MN and, if so, for what reasons? |

DNG II Response:

To protect existing customers, DNG II requires new customers outside of the Cities to fund 100% of the cost of the connection. DNG has not denied any requests for service from any customer located outside the municipal boundaries of the Cities of Belgrade and Brooten where the customer has agreed to pay for the cost of connection.

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

| In the Matter of the Petition of Dooley's Natural Gas LLC for Exemption for Small |) | MPUC Docket No. G6915/M-16-756 |
|---|---|--------------------------------|
| Gas Utility Franchise |) | CERTIFICATE OF SERVICE |
| |) | |
| |) | |

The undersigned hereby certifies that true and correct copies of the Dooley's Natural Gas II, LLC Responses to Staff Information Requests No. 1-12 were served on this day by e-filing/e-serving to the following:

| NAME | EMAIL | ADDRESS | SERVICE | TRADE SECRET? |
|-----------------|-------------------------------|---|------------|------------------|
| Julia Anderson | julia.anderson@ag.state.mn.us | Office of the Attorney General – DOC 1800 BRM Tower 445 Minnesota Street St. Paul, MN 55101-2134 | Electronic | Yes |
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/s/ Susan A. Hartinger Dated this 19th day of April, 2017

Susan A. Hartinger