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January 5, 2021

**VIA ELECTRONIC FILING**

Mr. Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: Petition for Change in Contract Demand Entitlement  
Docket No. G022/M-20-391

Dear Mr. Seuffert:

Greater Minnesota Gas, Inc. ("GMG") filed its Petition for Approval of a Change in Contract Demand Entitlement on March 30, 2020. The Minnesota Department of Commerce, Division of Energy Resources ("the Department") filed its Comments on October 8, 2020. GMG submitted its Reply Comments on October 18, 2020. On December 22, 2020, the Department filed a letter discussing GMG's Reply Comments and recommending approval of GMG's contract demand entitlement proposal.

GMG appreciates the Department's recommendation that the Commission approve its request and that it be allowed to recover the associated costs. GMG submits this letter to clarify the record with regard to customer additions and use per customer, because GMG believes that there is some lingering confusion about those issues based on the Department's discussion in its December 22, 2020 letter.

In its Reply Comments, GMG indicated that it had 337 new firm customer additions as of October 7, 2020 and that, based on what it was told regarding new home development, it anticipated adding approximately 100 additional firm customers. In its December 22, 2020 letter, the Department opined that GMG's numbers were erroneous because it compared GMG's discussion from its Reply Comments to the statistics set forth in GMG's customer count provided monthly in a separate docket. GMG respectfully notes that the numbers are not comparable to one another, as they do not reflect the same thing. In GMG's Reply Comments, it referred to firm customer additions that would be implicated in the current heating season because that is the basis for its contract demand entitlement proposal; however, not all of those customers had been installed at the time that the Reply Comments were submitted. Conversely, the customer count in the separate docket that the Department compared reflects the number of actual customers that were billed in a given month, meaning that it necessarily includes only those customers that were installed and does not include customers who have signed up for



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service but are not yet installed. As of this writing, GMG has installed 438 new firm customers with 11 additional customers requesting construction this winter, in total representing approximately 67.5% of its original projection for the 2020-2021 heating season.

The Department also again questioned GMG's use per customer methodology. Simply by way of clarification regarding GMG's methodology approach, when it applied the use per customer as explained in its Reply Comments, GMG was only referencing the use for its new customers – not for historical customers. The vast majority of GMG's customer additions in the last two years have been either smaller firm customers which use smaller amounts of gas or interruptible customers in nature. As the smaller firm customers are added in to the customer mix, GMG posits that its use per customer will go down not because its traditional customers change but because the customer mix is different. As a result of the changing customer mix, GMG feels that its methodology strikes the appropriate balance for the 2020-2021 heating season.

GMG apologizes for any confusion caused by its Reply Comments and hopes that this letter clarifies the record and any remaining concerns. GMG values the Department's discussion, input, and recommendation for approval; and, GMG respectfully requests that the Commission approve its Petition for Contract Demand Entitlement based on the entirety of the record. Please do not hesitate to contact me should there be any questions or concerns.

Sincerely,

GREATER MINNESOTA GAS, INC.

/s/

Kristine A. Anderson  
Corporate Attorney

cc: Service List