

March 11, 2021

Agenda Item 1

In the Matter of Greater Minnesota Gas, Inc.'s Petition for Change in Contract Demand Entitlement for the 2020-2021 Heating Season

Docket No. G022/M-20-391

Chair Sieben proposes the following additional decision option 3.a.

Decision Options

1. Accept Greater Minnesota Gas' proposed entitlement level and resulting reserve margin. (Department)
2. Allow Greater Minnesota Gas to recover demand costs associated with the Company's entitlements through the monthly Purchased Gas Adjustment effective April 1, 2020. (Department)
3. Require Greater Minnesota Gas to consider, to the extent cost effective options are available, purchasing additional entitlements for the 2020-2021 and future heating seasons. (Department, as modified by Staff)

Or

- 3.a. Require Greater Minnesota Gas to maintain a minimum reserve margin of 5% on a going-forward basis for the heating seasons; or fully explain any decision to use a less than 5% reserve margin.
4. Require Greater Minnesota Gas to include the following in future demand entitlement filings: (Department)
 - Use a constant annual average residential usage estimate based on weather normalized sales for the purpose of estimating customer rate impact;
 - Perform separate regression analyses by service area, using area-specific weather stations;
 - Estimate its design day using data from at least 3 heating seasons when appropriate. If the results of these calculations are not acceptable, the Department recommends that the Company fully explain its decision to use a shorter estimation period in its initial filing; and

- Maintain, on a going-forward basis, a two-part design-day process involving both regression analysis and mathematical analysis based on the Company's historical all- time peak-day send-out.