

RATE INCREASE NOTICE

Notice of Public Hearings for Minnesota Energy Resources customers served by the Northern Natural Gas (NNG) PGA

Minnesota Energy Resources asked the Minnesota Public Utilities Commission (MPUC) for permission to increase its natural gas rates by approximately 5.05 percent or about \$12.6 million per year overall. Depending upon customer class and use, the actual percentage of any increase will vary. The requested increase would add about \$3 to a typical residential customer’s monthly bill.

The MPUC has lowered the interim rate increase. The interim rate increase was changed from approximately 3.78 percent or \$9,465,720 to 2.81 percent or \$7,033,485. If final rates are lower than interim rates, we will refund customers the difference with interest. If final rates are higher than interim rates, we will not charge customers the difference.

If you move before a refund is issued and we cannot find you, your refund may be treated as abandoned property and sent to the Minnesota Department of Commerce, Unclaimed Property Unit. You can check for unclaimed property at www.missingmoney.com. To make sure we can send you any refund owed, please provide a forwarding address when you stop service.

Public hearings

Administrative Law Judge Eric L. Lipman is holding four public hearings. Any Minnesota Energy Resources customer or other person may attend or provide comments at the hearings. You are invited to comment on the adequacy and quality of Minnesota Energy Resources’ service, the level of rates, or other related matters. You do not need to be represented by an attorney.

Date	Time	Location
Tuesday, May 15, 2018	1:00 p.m.	Kahler Apache Hotel, Grand C Ballroom 1517 16th St. SW, Rochester, MN 55902
Tuesday, May 15, 2018	7:00 p.m.	Albert Lea City Hall, City Council Chambers 221 E. Clark St., Albert Lea, MN 56007
Wednesday, May 16, 2018	6:00 p.m.	Grand Rapids City Hall, City Council Chambers 420 N. Pokegama Ave., Grand Rapids, MN 55744
Thursday, May 17, 2018	6:00 p.m.	Rosemount City Hall, Council Chambers 2875 145th St. W, Rosemount, MN 55068

Bad weather? To find out if a meeting is canceled – call (toll-free) 855-731-6208 or 651-201-2213 or visit mn.gov/puc

Submit written comments

Online Visit mn.gov/puc, select *Speak Up!* find this docket (17-563), and add your comments to the discussion.

Email Email comments to consumer.puc@state.mn.us

U.S. Mail Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Written comments should include:

1. The Docket Numbers in the subject line or heading
 - MPUC Docket Number G-011/GR-17-563
 - OAH Docket Number 8-2500-34864
2. Your name and connection to the docket
3. Anything you wish to say about the docket

Important: Comments are available to the public on the MPUC’s website, except in limited circumstances consistent with the Minnesota Government Data Practices Act. The MPUC does not edit or delete personally identifying information from submissions.

Accommodations

If any reasonable accommodation is needed to enable you to fully participate in these meetings such as sign language or large print materials, please contact the Office of Administrative Hearings at 651-361-7000 (voice) or 651-361-7878 (TTY) at least one week in advance of the meeting.

Evidentiary hearings

Formal evidentiary hearings on Minnesota Energy Resources’ proposal start on July 10, 2018, at the MPUC, 121 Seventh Place East, Suite 350, St. Paul. The purpose of the evidentiary hearings is to allow Minnesota Energy Resources, the Minnesota Department of Commerce, Division of Energy Resources, the Minnesota Office of the Attorney General-Residential Utilities & Antitrust Division, and others who have joined the litigation to present testimony and to cross-examine each other’s witnesses on the proposed rate increase.

If you wish to formally intervene in this case, you may submit a Petition for Intervention to Administrative Law Judge Eric L. Lipman, P.O. Box 64620, St. Paul, Minnesota 55164-0620. The deadline to file a Petition for Intervention is February 14, 2018.

Effect of rate changes

The chart below shows the effect of the interim and proposed increases on monthly bills for customers with average natural gas use. Individual changes may be higher or lower depending upon actual natural gas use.

PROPOSED CHANGE IN AVERAGE MONTHLY BILLS

Current Customer Class	Proposed Customer Class	Proposed Class Annual Usage Range	Average Monthly Usage (Therms)	Present Monthly Bill*	Current Interim Monthly Bill Effective 1/1/2018	New Interim Monthly Bill Effective 4/1/2018	Proposed Final Monthly Bill**
NORTHERN NATURAL GAS PIPELINE (NNG) SALES							
General Service (GS) - Residential Sales	GS - Residential Sales	N/A	73	\$61	\$63	\$63	\$64
	GS - Residential Farm Tap Sales	N/A	135	\$105	\$109	\$108	\$111
General Service (GS) - Small Commercial & Industrial (SC&I) Sales	C&I Firm Class 1	0 - 1,500	80	\$73	\$76	\$75	\$76
	Agriculture Grain Dryer - Class 1	0 - 1,500	13	\$27	\$29	\$29	\$54
	GS - C&I Farm Tap Class 1	0 - 1,500	191	\$150	\$155	\$154	\$158
General Service (GS) – Large Commercial & Industrial (LC&I) Sales	C&I Firm Class 2	1,501 - 100,000	594	\$423	\$436	\$433	\$415
	C&I Firm Class 3	100,001 - 1,000,000	13,860	\$8,867	\$9,082	\$9,027	\$8,554
	Power Generating Unit - Class 1	0 - 500,000	100	\$109	\$114	\$113	\$103
	Agriculture Grain Dryer - Class 1	0 - 20,000	315	\$245	\$254	\$252	\$249
	GS - C&I Farm Tap Class 2	1,501 - 100,000	1,256	\$845	\$868	\$862	\$828
Small Volume Interruptible (SVI) - Sales	C&I Interruptible Class 2	1,501 - 100,000	3,239	\$1,692	\$1,735	\$1,724	\$1,628
	C&I Interruptible Class 3	100,001 - 1,000,000	13,063	\$6,324	\$6,453	\$6,420	\$6,289
	Agriculture Grain Dryer - Class 1	0 - 20,000	874	\$577	\$600	\$594	\$529
	Agriculture Grain Dryer - Class 2	20,001 - 500,000	3,105	\$1,629	\$1,671	\$1,660	\$1,459
Large Volume Interruptible (LVI) - Sales	C&I Interruptible Class 2	1,501 - 100,000	3,974	\$1,883	\$1,919	\$1,910	\$1,987
	C&I Interruptible Class 3	100,001 - 1,000,000	31,521	\$13,655	\$13,823	\$13,780	\$14,941
	Power Generating Unit - Class 1	0 - 500,000	2,723	\$1,349	\$1,378	\$1,371	\$1,362
	Agriculture Grain Dryer - Class 1	0 - 20,000	460	\$382	\$400	\$396	\$300
	Agriculture Grain Dryer - Class 2	20,001 - 500,000	5,880	\$2,698	\$2,742	\$2,731	\$2,724
Small Volume Joint (SVJ) - Sales	C&I Joint Class 2	1,501 - 100,000	4,180	\$2,231	\$2,291	\$2,275	\$2,475
NNG TRANSPORT							
Small Volume Interruptible (SVI) - Transport	C&I Interruptible Class 3	100,001 - 1,000,000	9,806	\$1,235	\$1,346	\$1,318	\$1,244
	C&I Interruptible Class 4	1,000,001 - 2,000,000	27,150	\$2,924	\$3,187	\$3,120	\$2,301
Large Volume Interruptible (LVI) - Transport – Conservation Improvement Program (CIP) Applicable	C&I Interruptible Class 3	100,001 - 1,000,000	60,840	\$3,542	\$3,861	\$3,779	\$6,078
	C&I Interruptible Class 4	1,000,001 - 2,000,000	180,030	\$9,894	\$10,783	\$10,355	\$13,373
	Agriculture Grain Dryer - Class 3	> 500,001	133,674	\$7,423	\$8,091	\$7,919	\$8,168
Small Volume Joint (SVJ) - Transport	C&I Joint Class 2	1,501 - 100,000	4,133	\$799	\$871	\$853	\$1,144
	C&I Joint Class 3	100,001 - 1,000,000	14,621	\$2,117	\$2,307	\$2,258	\$3,469
	Agriculture Grain Dryer - Class 2	20,001 - 500,000	4,837	\$888	\$967	\$947	\$1,145
Large Volume Joint (LVJ) - Transport - Conservation Improvement Program (CIP) Applicable	C&I Joint Class 2	1,501 - 100,000	850	\$356	\$388	\$379	\$335
	C&I Joint Class 3	100,001 - 1,000,000	45,001	\$3,249	\$3,541	\$3,466	\$6,937
	C&I Joint Class 4	1,000,001 - 2,000,000	128,477	\$8,718	\$9,502	\$9,300	\$16,375