

**MINNESOTA ENERGY RESOURCES CORPORATION
 FILING REQUIREMENT COMPLIANCE TABLE
 DOCKET NO. G007,011/GR-10-977**

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
Minnesota Rules, Part		
	<u>General Information</u>	
7825.3500	The utility's proposal for a change in rates shall summarize the notice of change in rates and shall include the following information:	
(A)	Name, address, and telephone number of the utility without abbreviation and the name and address and telephone number of the attorney for the utility, if there be one;	Volume 1, Notice of Change in Rates
(B)	Date of filing and date modified rates are effective;	Volume 1, Notice of Change in Rates
(C)	Description and purpose of the change in rates requested;	Volume 1, Notice of Change in Rates
(D)	Effect of the change in rates expressed in gross revenue dollars and as a percentage of test year gross revenue; and	Volume 1, Notice of Change in Rates
(E)	Signature and title of utility officer authorizing the proposal.	Volume 1, Notice of Change in Rates
7829.2400	Filing requiring determination of gross revenue.	
(1)	A utility filing a general rate case or other filing that requires determination of its gross revenue requirement shall include, on a separate page, a brief summary of the filing, sufficient to apprise potentially interested parties of its nature and general content.	Volume 1, Summary of Filing
(2)	A utility filing a general rate change request shall serve copies of the filing on the department and Residential Utilities Division of the office of the Attorney General. The utility shall serve the filing or the summary described in subpart 1 on the persons on the applicable general service list and persons who were parties to its last general rate case or incentive plan proceeding.	Volume 1, Certificate of Service

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
(3)	A utility seeking a general rate change shall give notice of the proposed change to the governing body of each municipality and county in its service area and to its ratepayers. The utility shall also publish notice of the proposed change in newspapers of general circulation in all county seats in its service area.	Volume 1, Proposed Notices Notices will be distributed after they are approved by the Commission
7825.3300	Insure payment of refunds under either of the following methods: file with the commission a bond, signed by an authorized official of the utility, in an amount and with sureties approved by the commission; or file an unqualified agreement, signed by an authorized official of the utility, to refund to the customers or credit to customers' accounts within 90 days from the effective date of the commission order any portion of the increase in rates determined to be unreasonable together with interest at the average prime interest rate computed from the effective date of the proposed rates through the date of refund or credit.	Volume 1, Agreement and Undertaking
7825.3600	Revised or new pages to the rate book previously filed with the commission and identifying those pages which were not changed. Each revised or new page of the rate book shall contain the information required for each page of the rate book and shall be in a format consistent with the currently filed rate book. In addition, each revised page shall contain the revision number and the page number of the revised page.	Volume 2, Tariff Pages
7825.3700	Expert opinions and supporting exhibits shall include written statements, in question and answer format, together with supporting exhibits of utility personnel and other expert witnesses as deemed appropriate by the utility in support of the proposal. At a minimum, expert opinions shall include a statement by the chief executive officer or other designated official in support of the proposal.	Volume 2, Testimony and Schedules of MERC President and Twelve Other MERC Witnesses
7825.3900	A jurisdictional financial summary schedule as required by part 7825.3800 shall be filed showing:	
(A)	the proposed rate base, operating income, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the test year;	Volume 3, Informational Requirement Document 1

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
(B)	the actual unadjusted average rate base consisting of the same components as the proposed rate base, unadjusted operating income, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the most recent fiscal year; and	Volume 3, Informational Requirement Documents 1, 2, 3, 4, 5, 6 and 7
(C)	the projected unadjusted average rate base consisting of the same components as the proposed rate base, unadjusted operating income under present rates, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the projected fiscal year.	Volume 3, Informational Requirement Documents 1, 2, 3, 4, 5, 6 and 7
7825.4000	The following rate base schedules as required by part 7825.3800 shall be filed:	
(A)	A rate base summary schedule by major rate base component (e.g. plant in service, construction work in progress, and plant held for future use) showing the proposed rate base, the unadjusted average rate base for the most recent fiscal year and unadjusted average rate base for the projected fiscal year. The totals for this schedule shall agree with the rate base amounts included in the financial summary.	Volume 3, Informational Requirement Documents 2, 3 and 4
(B)	A comparison of total utility and Minnesota jurisdictional rate base amounts by detailed rate base component showing:	
(1)	total utility and the proposed jurisdictional rate base amounts for the test year including the adjustments, if any, used in determining the proposed rate base;	Volume 3, Informational Requirement Documents 2, 3 and 4
(2)	the unadjusted average total utility and jurisdictional rate base amounts for the most recent fiscal year and the projected fiscal year.	Volume 3, Informational Requirement Documents 2, 3 and 4
(C)	Adjustment schedules, if any, showing the title, purpose, and description and the summary calculations of each adjustment used in determining the proposed jurisdictional rate base.	Volume 3, Informational Requirement Documents 2, 3 and 4
(D)	A summary by rate base component of the assumptions made and the approaches used in determining average unadjusted rate base for the projected fiscal year. Such assumptions and approaches shall be identified and quantified into two categories: known changes from the most recent fiscal year and projected changes.	Volume 3, Informational Requirement Documents 3 and 4

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
(E)	For multijurisdictional utilities only, a summary by rate base component of the jurisdictional allocation factors used in allocating the total utility rate base amounts to the Minnesota jurisdiction. This summary shall be supported by a schedule showing for each allocation factor the total utility and jurisdictional statistics used in determining the proposed rate base and the Minnesota jurisdictional rate base for the most recent fiscal year and the projected fiscal year.	Volume 3, Informational Requirement Documents 2, 4 and 9
7825.4100	The following operating income schedules as required by part 7825.3800 shall be filed:	
(A)	A summary schedule of jurisdictional operating income statements which reflect proposed test year operating income, and unadjusted jurisdictional operating income for the most recent fiscal year and the projected fiscal year calculated using present rates.	Volume 3, Informational Requirement Documents 5, 6, 7 and 10
(B)	For multijurisdictional utilities only, a schedule showing the comparison of total utility and unadjusted jurisdictional operating income statement for the test year, for the most recent fiscal year and the projected fiscal year. In addition, the schedule shall provide the proposed adjustments, if any, to jurisdictional operating income for the test year together with the proposed operating income statement.	Volume 3, Informational Requirement Documents 5, 6 and 7
(C)	For investor-owned utilities only, a summary schedule showing the computation of total utility and allocated Minnesota jurisdictional federal and state income tax expense and deferred income taxes for the test year, the most recent fiscal year, and the projected fiscal year. This summary schedule shall be supported by a detailed schedule, showing the development of the combined federal and state income tax rates.	Volume 3, Informational Requirement Document 8
(D)	A summary schedule of adjustments, if any, to jurisdictional test year operating income and detailed schedules for each adjustment providing an adjustment title, purpose and description of the adjustment, and summary calculations.	Volume 3, Informational Requirement Documents 5, 6 and 7

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
(E)	A schedule summarizing the assumptions made and the approaches used in projecting each major element of operating income. Such assumptions and approaches shall be identified and quantified into two categories: known changes from the most recent fiscal year and projected changes.	Volume 3, Informational Requirement Documents 6 and 7
(F)	For multijurisdictional utilities only, a schedule providing, by operating income element, the factor or factors used in allocating total utility operating income to Minnesota jurisdiction. This schedule shall be supported by a schedule that sets forth the statistics used in determining each jurisdictional allocation factor for the test year, the most recent fiscal year, and the projected fiscal year.	Volume 3, Informational Requirement Documents 5, 7 and 9
7825.4200	The following rate of return cost of capital schedules as required by part 7825.3800 shall be filed:	
(A)	A rate of return cost of capital summary schedule showing the calculation of the weighted cost of capital using the proposed capital structure and the average capital structures for the most recent fiscal year and the projected fiscal year. This information shall be provided for the unconsolidated parent and subsidiary corporations, or for the consolidated parent corporation.	Lisa Gast Testimony & Exhibits, Volume 2
(B)	Supporting schedules showing the calculation of the embedded cost of long-term debt, if any, and the embedded cost of preferred stock, if any, at the end of the most recent fiscal year and the projected fiscal year.	Lisa Gast Testimony & Exhibits, Volume 2
(C)	Schedule showing average short-term securities for the proposed test year, most recent fiscal year, and the projected fiscal year.	Lisa Gast Testimony & Exhibits, Volume 2
7825.4300	The following rate structure and design information as required by part 7825.3800 shall be filed:	
(A)	A summary comparison of test year operating revenue under present and proposed rates by customer class of service showing the difference in revenue and the percentage change.	Greg Walters Testimony & Exhibits, Volume 2
(B)	A detailed comparison of test year operating revenue under present and proposed rates by type of charge including minimum, demand, energy by block, gross receipts, automatic adjustments, and other charge categories within each rate schedule and within each customer class of service.	Greg Walters Testimony & Exhibits, Volume 2

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
(C)	A cost-of-service study by customer class of service, by geographic area, or other categorization as deemed appropriate for the change in rates requested, showing revenues, costs, and profitability for each class of service, geographic area, or other appropriate category, identifying the procedures and underlying rationale for cost and revenue allocations. Such study is appropriate whenever the utility proposes a change in rates which results in a material change in its rate structure.	Joylyn Hoffman Malueg Testimony, Volume 2 Volume 3, Informational Requirement Document 12
7825.4400	The following supplemental information as required by part 7825.3800 shall be filed:	
(A)	Annual report to stockholders or members including financial statements and statistical supplements for the most recent fiscal year. If a utility is not audited by an independent public accountant, unaudited financial statements will satisfy this filing requirement.	Volume 3, Informational Requirement Document 11
(B)	For investor-owned utilities only, a schedule showing the development of the gross revenue conversion factor.	Volume 3, Informational Requirement Document 1
(C)	For cooperatives only, REA Form 7, Financial and Statistical Report for the last month of the most recent fiscal year.	Not applicable.
(D)	For cooperatives only. REA Form 7A, Annual Supplement to Financial and Statistical Report.	Not applicable.
(E)	For REA cooperatives only, REA Form 325, Financial Forecast.	Not applicable.
7825.2700	New Base Cost of Gas	
Subpart 2	A new base cost of gas must be submitted as a miscellaneous rate change to coincide with the implementation of interim rates during a general rate proceeding. A new base gas cost must also be part of the rate design compliance filing submitted as a result of a general rate proceeding. The base gas cost must separately state the commodity base cost and the demand base cost components for each class. The base gas cost for each class is determined by dividing the estimated base period cost of purchased gas for each class by the estimated base period annual sales volume for each class.	MERC filed its base cost of gas as a miscellaneous filing on the same day as this general rate case, Docket No. G-007,011/MR-10-978. The base cost of gas included in that filing is also included in the interim and proposed tariff sheets in Volumes 1 & 2.
Minn. Stat. § 216B.16	Rate Change, Procedure, Hearing	

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
Subd. 1	If the filing utility does not have an approved energy conservation improvement plan on file with the department, it shall also include in its notice an energy conservation plan pursuant to section 216B.241.	MERC has approved CIP plans for 2010-2012, so is not subject to this filing requirement. The CIP for MERC-NMU was approved by the Director of OES on December 14, 2009 and corrected on January 29, 2010 in Docket No. G-007/CIP-09-803. The CIP for MERC-PNG was approved by the Director of OES on December 14, 2009 in G-011/CIP-09-800.
Subd. 17	<p>(a) The commission may not allow as operating expenses a public utility's travel, entertainment, and related employee expenses that the commission deems unreasonable and unnecessary for the provision of utility service. In order to assist the commission in evaluating the travel, entertainment, and related employee expenses that may be allowed for ratemaking purposes, a public utility filing a general rate case petition shall include a schedule separately itemizing all travel, entertainment, and related employee expenses as specified by the commission, including but not limited to the following categories:</p> <p>(1) travel and lodging expenses;</p> <p>(2) food and beverage expenses;</p> <p>(3) recreational and entertainment expenses;</p> <p>(4) board of director-related expenses, including and separately itemizing all compensation and expense reimbursements;</p>	<p>Seth DeMerritt Testimony & Exhibits, Volume 2</p> <p>Volume 3, Informational Requirement Document 14</p>

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
	<p>(5) expenses for the ten highest paid officers and employees, including and separately itemizing all compensation and expense reimbursements;</p> <p>(6) dues and expenses for memberships in organizations or clubs;</p> <p>(7) gift expenses;</p> <p>(8) expenses related to owned, leased, or chartered aircraft; and</p> <p>(9) lobbying expenses.</p> <p>(b) To comply with the requirements of paragraph (a), each applicable expense incurred in the most recently completed fiscal year must be itemized separately, and each itemization must include the date of the expense, the amount of the expense, the vendor name, and the business purpose of the expense. The separate itemization required by this paragraph may be provided using standard accounting reports already utilized by the utility involved in the rate case, in a written format or an electronic format that is acceptable to the commission. For expenses identified in response to paragraph (a), clauses (1) and (2), the utility shall disclose the total amounts for each expense category and provide separate itemization for those expenses incurred by or on behalf of any employee at the level of vice president or higher and for board members. The petitioning utility shall also provide a one-page summary of the total amounts for each expense category included in the petitioning utility's proposed test year.</p>	

	<u>Information Required by Commission Rule and Statute</u>	<u>Section and Page of Application</u>
	<p>(c) Except as otherwise provided in this paragraph, data submitted to the commission under paragraph (a) are public data. The commission or an administrative law judge assigned to the case may treat the salary of one or more of the ten highest paid officers and employees, other than the five highest paid, as private data on individuals as defined in section 13.02, subdivision 12, or issue a protective order governing release of the salary, if the utility establishes that the competitive disadvantage to the utility that would result from release of the salary outweighs the public interest in access to the data. Access to the data by a government entity that is a party to the rate case must not be restricted.</p>	

	<u>Information Required Under Commission Policy Statements</u>	<u>Section and Page of Application</u>
<u>Policy Statement</u>		
Advertising	<p>Statement that recovery is requested only for permitted advertisements.</p> <p>Complete samples of all advertising for which recovery is sought, including a schedule that:</p> <ol style="list-style-type: none"> 1. Identifies the sample ad. 2. Categorizes the advertisement by allowable and disallowable type. 3. Defines the percentage by which the content fits into the allowable and disallowable statutory categories. 4. Provides the corresponding test year dollar amount for each ad. 5. Describes the period of time during which each ad will be used, the service area in which it will appear, and the media employed. 	<p>Volume 3, Informational Requirement Document 13</p> <p>Seth DeMerritt Testimony & Exhibits, Volume 2</p>
Charitable Contributions	<p>Evidence as to whether the recipients of the contributions: serve the utility's Minnesota service area, are nondiscriminatory in selecting recipients; and do not promote political or special interest groups.</p> <p>Evidence as to what organizations are gifted, their activities, and that no part of the contribution goes to benefit any private stockholder or individual.</p> <p>Itemized schedule showing amount, recipient and time of donations.</p>	<p>Seth DeMerritt Testimony & Exhibits, Volume 2</p> <p>Volume 3, Informational Requirement Document 15</p>
Organizational Dues	<p>Schedule showing each organization being paid, the number of employees belonging to each organization and the dollar amount of dues being paid to each organization.</p> <p>Testimony explaining the primary purpose of each organization.</p>	<p>MERC is not requesting recovery of organizational dues in the proposed test year, so these informational requirements do not apply to this filing.</p> <p>Seth DeMerritt Testimony & Exhibits, Volume 2</p>

	<u>Information Required Under Commission Policy Statements</u>	<u>Section and Page of Application</u>
Research Expenses	<p>Schedule that describes each research activity for which an expense is claimed that completely itemizes and supports all expenses for each activity.</p> <p>Testimony that: explains the nature of control of the research, including the setting of research goals and evaluation of services; identifies the persons or groups who will conduct the research; describes the persons who will benefit from the research and the time expected to be needed for benefits to begin to accrue to those persons; and reveals the parties who will acquire ownership of any processes, patents, rights, or other tangible products that result from the research.</p>	<p>Not applicable. There are no research costs in the proposed 2011 test year.</p> <p>Seth DeMerritt Testimony & Exhibits, Volume 2</p>
Cash Working Capital	<p>Lead-lag study with: (1) lead time divided into service to meter reading; meter reading to billing; and billing to collection; and (2) lag expenses divided in categories such as fuel, purchased power, labor, etc.</p> <p>Separate components of working capital not included in the lead-lag study may include average or minimum cash balances required, depreciation, dividends and interest on debt.</p>	<p>Seth DeMerritt Testimony & Exhibits, Volume 2</p>
Interim Rates		
Item 1, page 2	Name, address and telephone number of utility without abbreviations and the name, address and telephone number for the attorney for the utility.	Volume 1, Interim Rate Petition
Item 2, page 2	Date of filing and date proposed interim rates are requested to become effective.	Volume 1, Interim Rate Petition
Item 3, page 2	Description and need for interim rates.	<p>Volume 1, Interim Rate Petition</p> <p>Seth DeMerritt Testimony & Exhibits, Volume 2</p> <p>Charles A. Cloninger Testimony & Exhibits, Volume 2</p>

	<u>Information Required Under Commission Policy Statements</u>	<u>Section and Page of Application</u>
Item 4, page 2	Description and corresponding dollar amount of changes included in interim rates as compared with most current approved general rate case and with the most recent year for which audited data is available. The data for the most recent actual year should be for the same time period in months as the test year, if the test year is a projected test year.	Volume 1, Interim Rate Petition Schedules and Work papers Seth DeMerritt Testimony & Exhibits, Volume 2
Item 5, page 2	Effect of the interim rates expressed in gross revenue dollars and as a percentage of test year gross revenue.	Volume 1, Interim Rate Petition Schedules and Work Papers Seth DeMerritt Testimony & Exhibits, Volume 2
Item 6, page 2	Certification signed by the Chief Executive Officer of the utility, that affirms the proposed interim rate petition is in compliance with Minnesota Statutes.	Volume 1, Certification of Officer of MERC
	Methods and procedures for refunding.	Volume 1, Agreement and Undertaking
Item 7, page 2	Signature and title of the utility officer authorizing the proposed interim rates.	Volume 1, Interim Rate Petition
Items 1-4, page 3	Supporting schedules and work papers, including:	
(1)	A schedule showing the interim rate of return calculation.	Volume 1, Interim Rate Petition Supporting Schedules
(2)	A schedule showing the interim operating income statement.	Volume 1, Interim Rate Petition Supporting Schedules
(3)	A schedule showing the interim proposed rate base.	Volume 1, Interim Rate Petition Supporting Schedules
(4)	A schedule showing revenue deficiency calculations for each of the operating income statements and rate bases requested in (2) and (3) above. The revenue deficiency should be calculated for the actual data and the interim data using the rate of return calculated in (1) above.	Volume 1, Interim Rate Petition Supporting Schedules
	Modified tariffs.	Volume 1, Interim Tariffs

	<u>Information Required Under Commission Policy Statements</u>	<u>Section and Page of Application</u>
	Notices.	Volume 1, Proposed Notices Notices will be distributed after they are approved by the Commission

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
<u>Docket Number/Name of Order</u>	<u>Name of Proceeding</u>	
G-011/M-91-989	PNG's Request to Establish a Tariff for Repairing and Replacing Farm Tap Lines	
Order Permitting Company to Continue Deferred Accounting (February 17, 1998)	Aquila shall file with the PUC, the Department, and the Office of Pipeline Safety within 90 days of the end of each five-year inspection period and in each general rate case a five-year report on the farm tap inspection program including the cumulative results of the inspection program and any recommendations for future improvements.	Dave Kult Testimony & Exhibits, Volume 2
G-007,011/GR-00-951	2000 General Rate Case	
Stipulation and Agreement (March 31, 2003)	Aquila Networks will separately maintain the financial data needed for each system to conduct a separate CCOSS for each system in the next rate case. (Page 36)	Joylyn Hoffman Malueg Testimony & Exhibits, Volume 2 Volume 3, Informational Requirement Document 12
G-007,011/M-05-1676	Sale of Aquila, Inc.'s Minnesota Assets to Minnesota Energy Resources Corporation	
Order Approving Sale Subject to Conditions (June 1, 2006)	Recovery of any sale-related acquisition premium and transaction costs is denied. Recovery of transition costs is not denied and may be sought in a future rate case.	MERC is not seeking recovery of any sale-related acquisition premium and transaction costs or transition costs in this proceeding. Seth DeMerritt Testimony & Exhibits, Volume 2

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
	MERC is put on notice that in its future general rate cases it must conform to the Commission's policies and procedures and filing requirements for allocation of costs for all WPSR's non-regulated activities as well as Service Guard and shall comply with accounting standards established by the Commission in its September 28, 1994 Order in Docket No. G,E-999/CI-90-1008.	Tracy Kupsh Testimony & Exhibits, Volume 2, discusses the allocation of costs by Integrys Business Support, LLC to its regulated affiliates. Greg Walters Testimony & Exhibits, Volume 2, discusses the allocation of costs between MERC-PNG, MERC-NMU and ServiceChoice.
G-007,011/AI-07-779	Formation of Integrys Business Support, LLC	
Order (March 5, 2008)	MERC shall demonstrate in the Company's future general rate cases that the General/Corporate Allocation method provides similar results compared to the Commission's preferred general allocation method, or that the Company's method better serves the public interest.	Tracy Kupsh Testimony & Exhibits, Volume 2 Greg Walters Testimony & Exhibits, Volume 2
G-007,011/AI-06-1052	Affiliated Interest Agreement Between WPS Resources Corporation and Its Public Utility Subsidiaries	
Order (March 18, 2008)	Put MERC on notice that it should be prepared to demonstrate in the Company's next rate case that its Category 1 allocation method provides similar results compared to the Commission's preferred general allocation method, or that the Company's method better serves the public interest.	Tracy Kupsh Testimony & Exhibits, Volume 2 Greg Walters Testimony & Exhibits, Volume 2
G-007,011/M-08-271	Request to Consolidate PGAs	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
Order (April 16, 2010)	<p>In its next rate case or miscellaneous rate filing, if that rate case or miscellaneous rate filing includes the request to consolidate its PGAs, MERC shall include information that:</p> <ul style="list-style-type: none"> a. fully describes the physical flow and extent of integration of the pipeline system; b. addresses whether there will be inter-pipeline or inter-regional subsidy as a result of consolidation; and c. addresses whether any changes in the conditions of service are sufficiently gradual to avoid drastic rate changes (rate shock) to customers. 	<p>Shawn Gillespie Testimony & Exhibits, Volume 2</p> <p>Greg Walters Testimony & Exhibits, Volume 2</p>
	<p>At least 60 days prior to filing its request to consolidate it's PGAs either in a rate case or other filing, MERC shall meet with the OES, Commission staff, and any other interested parties to discuss the proposal and clarifying any concerns raised by other parties.</p>	<p>Meeting was held August 18, 2010.</p>

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
	<p>In its next rate case or miscellaneous rate filing, if that rate case or miscellaneous rate filing includes the request to consolidate its PGAs. MERC shall include all the necessary Work Papers and documentation to support all the claims made as to why it is in the ratepayer's interest to consolidate the PGAs.</p>	<p>Shawn Gillespie Testimony & Exhibits, Volume 2</p> <p>Base cost of Gas Filing, submitted in Docket No. G007,011/MR-10-978</p> <p>Demand Entitlement filings submitted in Docket Nos. G007/M-10-1166, G011/M-10-1167, G011/M-10-1168, and G011/M-10-1169</p> <p>Test Year Sales Forecast, Harry Johns Direct Testimony & Exhibits</p> <p>Division of MERC-NMU Sales Forecast into those customers served by the NNG pipeline and other customers, Seth DeMerritt Direct Testimony & Exhibits</p> <p>Rate Impacts of PGA Proposal in Conjunction with Other Rate Design Proposals, Greg Walters Testimony & Exhibits, Volume 2</p>
G-007,011-GR-08-835	2008 General Rate Case	
Findings of Fact, Conclusions of Law, and Order (June 29, 2009)	In future Class Cost of Service Studies filed in general rate cases, the Company shall allocate income taxes on the basis of the taxable income attributable to each customer class, not on the basis of rate base.	<p>Joylyn Hoffman Malueg Testimony & Exhibits, Volume 2</p> <p>Volume 3, Informational Requirement Document 12</p>

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
	In future Class Cost of Service Studies filed in general rate cases, the Company shall include an explanatory filing identifying and describing each allocation method used in the study and detailing the reasons for concluding that each allocation method is appropriate and superior to other allocation methods considered.	Joylyn Hoffman Malueg Testimony & Exhibits, Volume 2 Volume 3, Informational Requirement Document 12
Order After Reconsideration (September 14, 2009)	MERC shall:	
A.	File in its next general rate case the Commission's required demonstration regarding the appropriateness of the general allocators for the allocations between MERC and Integrus Business Support, and for the allocations between MERC's regulated utility business and MERC's nonregulated home services business.	Tracy Kupsh Testimony & Exhibits, Volume 2 Greg Walters Testimony & Exhibits, Volume 2
B.	(1) Work with the OES and other interested parties in advance of its next rate case filing and any other dockets (including demand entitlement filings) that require sales or revenue forecasting, to ensure that it has adequate sales and revenue data, its forecasting technique is based on industry standards, and it has sufficient evidence substantiating its data and forecasting technique; (2) prepare summary spreadsheets that link together its test year sales and revenue estimates, the CCOSS and its rate design schedules, and provide these in its initial filing; and (3) separate sales and revenue forecasts by individual rate classes, for each of its Purchased Gas Adjustment systems.	Harry Johns Testimony & Exhibits, Volume 2 Greg Walters Testimony & Exhibits, Volume 2 Seth DeMerritt Testimony and Exhibits, Volume 2

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C.	If it uses a forecast for its test-year financials, disclose the forecast and support it through company witnesses and work papers.	Seth DeMerrit Testimony & Exhibits, Volume 2 Christine Phillips Testimony & Exhibits, Volume 2 Harry Johns Testimony & Exhibits, Volume 2 Lisa Gast Testimony & Exhibits, Volume 2 Tracy Kupsh Testimony & Exhibits, Volume 2 John Wilde Testimony & Exhibits, Volume 2
D.	Include in its filing its most recent five-year farm tap inspection report, discuss the results of the report, and include any recommendations for improvement of the program.	Dave Kult Testimony & Exhibits, Volume 2
E.	File testimony on whether winter construction charges were assessed to customers outside the winter construction period.	Dave Kult Testimony & Exhibits, Volume 2
F.	Retain records pertaining to all abnormal construction charges, including frost charges out of the winter construction period, and provide a list summarizing each such charge in its next rate case filing.	Dave Kult Testimony & Exhibits, Volume 2
G.	Retain the documentation needed to substantiate in the next rate case filing the reasonableness of any charges for materials assessed in situations where tampering has occurred and any new materials are needed for reconnection of gas service.	Dave Kult Testimony & Exhibits, Volume 2
H.	Have available at the time of the next rate case documentation providing the information required by the Company's approved extensions tariff, including the feasibility model exhibit.	Dave Kult Testimony & Exhibits, Volume 2

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I.	Work with OES and Commission Staff prior to the filing of the next rate case to develop an acceptable format, supporting workpaper references, and organization of the information specified in the filing requirements.	Seth DeMerritt Testimony & Exhibits, Volume 2
G-007,011/AI-08-1376	Approval of Modifications to Integrys Business Support Affiliated Interest Agreement	
Order (May 26, 2009)	Accept the changes to the Master AIA as proposed by MERC subject to the condition that the Company is required to provide evidence of the reasonableness of the cost allocation factors used in all subsequent rate cases.	Tracy Kupsh Testimony & Exhibits, Volume 2 Greg Walters Testimony & Exhibits, Volume 2
G-007/CIP-09-803 G-011/CIP-09-800	2010-2012 Triennial Conservation Improvement Program	
Decisions (December 14, 2009 and January 29, 2010)	Test year CIP expenses used to calculate the CCRC are consistent with the expenses approved for 2011 in these dockets.	Seth DeMerritt Testimony & Exhibits Volume 2
G-007,011/D-09-630	Request for Certification of Depreciation Rates	
Order (December 18, 2009)	Depreciation expense reflects the rates approved in this docket.	Seth DeMerritt Testimony & Exhibits, Volume 2
G,E999/CI-90-563	Commission Inquiry into Competition Between Gas Utilities in MN	
Order Terminating Investigation and Closing Docket (March 31, 1995)	In future rate cases, the Department is to investigate the service extension-related additions to rate base to determine: that LDCs are applying tariffs correctly and consistently, that they are appropriately cost and load justified, and that wasteful additions to plant and facilities are not allowed into rate base.	Dave Kult Testimony & Exhibits, Volume 2
G,E999/CI-90-1008	Investigation into the Competitive Impact of Appliance Sales and Service Practices of Minnesota Gas and Electric Utilities	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
Order Setting Filing Requirements (September 28, 1994)	Demonstrate in future rate case filing that [MERC] follows the cost allocation principles recommended by the Commission; or its regulated activities are insignificant; or its cost allocation principles produce similar results as would allocations following the recommended cost allocation principles; or the public interest is better served by another method.	Tracy Kupsch Testimony & Exhibits, Volume 2 Greg Walters Testimony & Exhibits, Volume 2
U999/CI-92-96	Accounting and Ratemaking Effects of the Statement of Financial Accounting Standard No. 106	
Order Adopting Accounting Standard and Allowing Deferred Accounting (September 22, 1992)	Utilities filing future rate cases must file, in addition to information regarding the funding method they have chosen for OPEB obligations, detailed evidence and arguments supporting and justifying the choice of their funding methods over funding alternatives.	Seth DeMerritt Testimony & Exhibits, Volume 2 Christine Phillips Testimony & Exhibits, Volume 2
E,G-999/CI-08-132	Revenue Decoupling Criteria for Pilot Proposals	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
Order (June 19, 2009)	<p>All utility decoupling pilot proposals under Minn. Stat. 216B.2412 shall provide the following information in the initial filing:</p> <p>1. <u>Purpose</u>: All utilities shall state how their proposed decoupling mechanism adheres to the guiding statute. Each utility shall explain the purpose of their mechanism in the context of the Next Generation Energy Act of 2007’s energy savings goals and how their mechanism will further the state policy of increased conservation investment.</p> <p>2. <u>Form</u>: All utilities shall state the form of decoupling proposed and the purpose behind such choice. This should provide a detailed definition of what types of sales changes are included in the mechanism, i.e. weather-related sales changes, declining use per customer, etc., and the reason for such inclusion.</p> <p>3. <u>Cost of Capital</u>: All utilities shall detail how their proposed mechanism will/will not impact the company's cost of capital.</p> <p>4. <u>Classes Included</u>: All utilities must identify the rate classes involved in the pilot, as well as provide rationale for the inclusion of participating classes and the exclusion, if any, of other classes.</p>	<p>Valerie Grace Testimony & Exhibits, Volume 2</p> <p>Paul Moul Testimony & Exhibits, Volume 2</p>

	<p><u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u></p>	<p><u>Section and Page of Application</u></p>
	<p>5. <u>Mechanics</u>: All utilities must provide precise detail on how the decoupling mechanism will operate, with the understanding that any decoupling pilot program be transparent and easy to follow from a customer perspective. Details to be provided are as follows:</p> <ul style="list-style-type: none"> A. how rate adjustments will be calculated; B. when rate adjustments will be made; C. whether a rate cap or collar is provided to mitigate the risk of rate shock and justification for not so providing if a proposal lacks such safeguards; D. what portion of the customer's bill will be impacted by the true-up (volumetric vs. customer charge); E. how will the rate adjustment be displayed on the customer's bill; F. length of pilot (with the understanding that no pilot may extend longer than 36 months except through implementation in a rate case); G. how the decoupling mechanism will work in concert with any automatic recovery mechanism or financial incentive; this evaluation requires that all utilities provide a list of all automatic recovery mechanisms and incentives as well as justification for any such mechanism/incentive that the utility plans to continue throughout the course of the pilot including an explanation as to how the decoupling pilot mechanism, coupled with any other automatic adjustments and incentives, will not result in double recovery. <p>6. <u>Service Quality</u>: All utilities must provide detail, consistent with other service quality documentation, on how the utility plans to measure and maintain service quality under the pilot program. Phone answer time, gas emergency response time, missed appointments for service installations, time to reconnect service, and number of customers disconnected for non-payment should all be addressed in a pilot service quality evaluation.</p>	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
	<p>7. <u>Review</u>: All utility pilot proposals shall be reviewed yearly. If the Commission determines that the pilot is harming ratepayers and/or failing to meet objectives, the Commission may suspend the pilot at any time or recommend modifications. As part of this annual review, all utilities shall provide information that shall be specified in an evaluation plan established as part of the pilot plan that shall include, but not be limited to the following information:</p> <ul style="list-style-type: none"> A. total adjustments by class B. total adjustment charges collected C. number of customer complaints D. has the pilot stabilized revenues for the class(es) under the pilot and how has such stabilization impacted the utility's overall risk profile E. comparison of how revenues under traditional regulation would have differed from those collected under the decoupling pilot F. is the utility meeting energy efficiency savings goals? has the decoupling pilot influenced the achievement or likelihood of achievement of those goals? G. problems encountered and improvements/suggestions for the future. <p>8. <u>Pilot Implementation</u>:</p> <ul style="list-style-type: none"> A. Pilot proposals should be filed and implemented within a rate case; or B. Pilot proposals may be filed outside of a rate case if the following conditions are met: <ul style="list-style-type: none"> (1) updated sales forecasts are provided with the pilot proposal; (2) detailed evaluation of how any decrease in risk as a result of the pilot proposal will impact the cost of capital; and (3) proposals are filed within one year of the final Commission order in a rate case. 	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Section and Page of Application</u>
	<p>C. Class Exclusion. The Commission requires that all decoupling pilot programs be implemented in more than one customer class</p> <p>D. Deadline for filing Pilot Programs</p> <p>(1) All utilities shall file a non-binding notice of intent as to their plans for filing a decoupling pilot by June 1, 2010.</p> <p>(2) All pilot proposals shall be filed by December 30, 2011.</p>	
G-999/CI-09-409	Gas Utility Service Quality Standards	
Order Setting Reporting Requirements (August 26, 2010)	MERC shall also provide in its first report, or in its next rate case, whichever is filed first, a status report on the implementation of telemetering for its Small Volume, Large Volume, and Super Large Volume customers, as well as the status of automated meter reading, if applicable, for its other customers.	Testimony of Greg Walters & Exhibits, Volume 2

**MINNESOTA ENERGY RESOURCES CORPORATION
FILING REQUIREMENTS NO LONGER APPLICABLE**

MERC includes in this table filing requirements that either were identified as not applicable in its last general rate case filing, or that were addressed in Docket No. G007,011/GR-08-835 and are not applicable to this rate case filing. Because no longer applicable, these filing requirements will not be referenced in future rate case filings by MERC.

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Applicability of Requirement</u>
<u>Docket Number/Name of Order</u>	<u>Name of Proceeding</u>	
G-007,011/AI-93-923	Consolidated Gas Supply Arrangement With UtiliCorp United, Inc.	
Order (March 29, 1994)	The Companies shall provide the following information in their next rate case: a complete list of all costs incurred by UtiliCorp in providing the service, along with a full description of why, how, and on whose behalf such costs are incurred; a complete cost-benefit analysis showing why the Companies should continue to use UtiliCorp to provide the service.	This requirement was identified as no longer applicable in MERC's last rate case. This requirement is not applicable to MERC, which acquired Aquila, Inc.'s Minnesota gas operations on July 1, 2006. The Commission approved MERC's Request for Approval of an Affiliated Interest Agreement Related to the Formation and Operation of Intergrys Business Support, LLC in Docket No. G-007,011/AI-07-779 by Order dated March 5, 2008 and clarified that approval by Order dated May 26, 2009.
G-007,011/GR-00-951	2000 General Rate Case	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Applicability of Requirement</u>
Order Accepting and Adopting Settlement (July 29, 2003)	Include a schedule for all finalized leases for vehicles used in Minnesota, showing the forecasted residual value, the actual residual value, and the additional amount due or refund received at the end of each lease	This requirement was identified as no longer applicable in MERC's last rate case. This requirement is not applicable because MERC owns and does not lease its vehicles.
	<p>Unless the Companies make a cost allocation filing before their next rate filing case filing, they shall include in their next rate case filing the following information:</p> <p>(a) the methods by which it identifies and assigns direct costs;</p> <p>(b) the methods by which it identifies and allocates indirect costs;</p> <p>(c) whether its general allocation method provides results consistent with the requirements and principles developed in the Commission's industry-wide cost allocation docket, <i>In the Matter of an Investigation into the Competitive Impact of Appliance Sales and Service Practices of Minnesota Gas and Electric Utilities</i>, Docket No. G,E-999/CI-90-1008, Order Setting Filing Requirements (Sept. 28, 1994); and</p> <p>(d) whether and how its allocation structure assures that shared costs are allocated to all applicable regulated and non-regulated activities.</p>	<p>This requirement was identified as no longer applicable in MERC's last rate case. Aquila, Inc. made this cost allocation filing in Docket No. G-007,011/GR-00-951 on January 19, 2005. This requirement is therefore not applicable.</p> <p>Other filing requirements relating to cost allocation are included in the table above in relation to multiple other Orders that require this issue to be addressed in each rate case.</p>

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Applicability of Requirement</u>
<p>G-007,011/GR-00-951 Order Accepting and Adopting Settlement (July 29, 2003)</p> <p>And</p> <p>G-007,011/CI-02-1369 Order (February 14, 2003)</p>	<p>The Companies shall:</p> <p>(a) identify in its next rate case all issuances of debt and associated costs from January 1, 2002 until the next rate case in a manner that will facilitate a potential adjustment to mitigate the impact of adverse market factors caused by Aquila's financial problems. Specifically, Aquila shall provide information sufficient to allow the PUC to evaluate what the debt and equity costs for Peoples and NMU would have been but for the effects of Aquila's other operations;</p> <p>(b) provide in its next rate case a discussion and analysis of the effects of Aquila's financial situation on Peoples' and NMU's cost of common equity.</p>	<p>This requirement was identified as no longer applicable in MERC's last rate case. This requirement is not applicable to MERC, which acquired Aquila, Inc.'s Minnesota gas operations on July 1, 2006. The Commission closed Docket No. G-007,011/CI-02-1369 in an Order issued on March 14, 2008.</p>
<p>G-007,011/GR-00-951 Stipulation and Agreement (March 31, 2003)</p>	<p>The Parties stipulate CIP tracker balances will be recovered in the next rate case and that the CIP tracker account balances will not be subject to carrying charges. (Page 28).</p>	<p>This requirement is no longer applicable. In Docket No. G-007,011/GR-08-835, the Commission authorized recovery of MERC's CIP tracker account balances and established an annual true-up mechanism. The Commission also authorized recovery of carrying charges as of July 31, 2008.</p>
<p>G-007,011/M-03-276</p>	<p>Filing by Aquila, Inc. to Establish a Large Volume Daily Balancing Service</p>	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Applicability of Requirement</u>
Order Extending Aquila's Large Volume Balancing Service with Modifications (September 9, 2005)	In its next rate case, Aquila shall do the following: (A) Address the stranded cost issue, together with possible alternative solutions; (B) Report on 1) the number of customers that are participating in the pilot program, 2) the amount of LBVS for which each customer subscribes, 3) the cost associated with implementing the pilot program, and 4) the revenues associated with the pilot program; and (C) include an alternative proposal for a balancing service similar to the balancing service offered by CenterPoint and NSP.	This requirement is no longer applicable. In Docket No. G-007,011/GR-08-835, the Commission approved MERC's proposal for a large volume balancing service.
G-011/AI-04-61	Transfer of PNG's Shipper Services Contracts	
Order Approving Transfer of Contracts with Stipulation (August 10, 2004)	The Company will not seek to recover costs associated with the transfer of its Shipper Services business in any future rate case or any other regulatory filing or proceeding.	This requirement was identified as no longer applicable in MERC's last rate case. This requirement is not applicable to MERC. Aquila, Inc. transferred these contracts prior to MERC's acquisition of Aquila's Minnesota gas operations.
G-007,011/M-05-1676	Sale of Aquila, Inc.'s Minnesota Assets to Minnesota Energy Resources Corporation	
Order Approving Sale Subject to Conditions (June 1, 2006)	Aquila and MERC shall work with the Department to establish baselines for the cost allocations appropriate for the next rate case.	This requirement is no longer applicable. MERC worked with the OES prior to filing its 2008 rate case in Docket No. G-007,011/GR-08-835 to establish baselines.
G-007,011/M-07-1188	Winter Construction Charges	

	<u>Information Required Under Commission Orders Addressed Or Used To Determine Cost of Service in This Filing</u>	<u>Applicability of Requirement</u>
Order (January 15, 2008)	MERC must show, in the Companies' next general rate case, that no Winter Construction Charges were assessed to customers outside the tariffed Winter Construction Charges period (i.e., November 1 through April 1), and that no Winter Construction Charges incurred by the Companies from NPL, or any other winter construction contractor, outside the tariffed Winter Construction Charges period are proposed to be recovered from other ratepayers.	This requirement has been replaced by the requirement in Docket No. G-007,011/GR-08-835, that MERC file testimony on whether winter construction charges were assessed to customers outside the winter construction charges period.
G-011/M-07-1403, G-011/M-07-1404	MERC Request for Approval of a Change in Demand Entitlement for its Viking Gas Transmission System; MERC Request for Approval of a Change in Demand Entitlement for its Great Lakes Gas Transmission System	
OES Comments dated June 12, 2008	Recommends that the Commission require that MERC-PNG file testimony in its next rate case related to its joint-rate service tariffs and whether firm customers subsidize joint-rate customers	This requirement is not applicable. In its Reply Comments dated July 8, 2008, MERC agreed to provide this testimony in its next rate case, and MERC did so in the Direct Testimony of Greg Walters in Docket No. G-007,011/GR-08-835.