



STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

August 14, 2009

To: Service List

From: Burl W. Haar, Executive Secretary

A handwritten signature in blue ink, appearing to be "Burl W. Haar", written over the "From:" line.

Re: In the Matter of Gas Affordability Programs

Docket Nos. G008/GR-05-1380, G002/GR-06-1429, G001/M-07-1295, G007,011/M-07-1131,
G004/M-07-1235, G022/CI-08-1175

NOTICE OF EXTENDED COMMENT PERIOD AND COMMENT PERIOD ON ADDITIONAL ISSUES

Background

On July 9, 2009, the Commission issued its ORDER REGARDING INTERIM REVIEW OF GAS AFFORDABILITY PROGRAMS PURSUANT TO MINN. STAT. §216b.16, SUBD. 15 and established a comment deadline of 30 days after its Order for utilities to comment on the type of data to be reported in Gas Affordability Program (GAP) annual evaluations, with reply comments also scheduled. Comments were received by all rate-regulated gas utilities except for Greater Minnesota Gas.

In the currently pending CenterPoint Energy (CPE) rate case proceeding, in docket 08-1075, various parties filed testimony regarding proposed changes to CenterPoint's GAP, including a proposed change to how CPE calculates its GAP credit, and whether the income standard in CPE's tariff should be changed from 6% of income to 4% of income. Also indicated was that CenterPoint and Great Plains calculate their GAP credit while taking into account the customer's LIHEAP assistance, while Xcel, IPL, and MERC calculate their GAP credit without taking into account the customer's LIHEAP assistance. (Greater Minnesota Gas has a flat rate credit.) Because the testimony in the CPE rate case raises the issue of consistency among programs and affects the data reported to the Commission in the annual compliance reports, the Commission solicits comments on these issues for further consideration, as listed on Attachment 1 to this notice.

Comments on the utilities' August 2009 interim compliance filings and on the issues listed on Attachment 1 to this notice may be filed with the Commission by Wednesday, September 15, 2009. Replies may be filed by Monday, September 28, 2009.

Questions regarding this matter may be directed to Michelle Rebholz at 651-201-2206 or Robert Harding at 651-201-2237.

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PHONE (651) 296-7124 • FAX (651) 297-7073 • TDD (651) 297-1200 • 121 7th PLACE EAST • SUITE 350 • SAINT PAUL, MINNESOTA 55101-2147

Calculating GAP Credit:

1. Given that each gas utility's GAP tariffs are identical, is it reasonable for gas utilities to be calculating their GAP credits differently (i.e., including a customer's LIHEAP assistance versus not including LIHEAP assistance)?
2. Should the Commission clarify whether gas utilities should include or not include LIHEAP assistance when calculating their GAP credit?
3. For those gas utilities not considering LIHEAP assistance when calculating the GAP credit: please explain how this practice complies with the GAP tariff, which states that the utility "...will review current billing and consumption information, approved LIHEAP benefits and household income information ...to determine a Qualified Customer's payment schedule amount."
4. For those gas utilities not considering LIHEAP assistance when calculating the GAP credit: please explain how this practice calculates an affordability credit that determines "one-twelfth of the difference between [the utility's] estimate of the Qualified Customer's annual gas bill and 6% of the Qualified Customer's household income," as listed in the GAP tariffs.
5. For those gas utilities that do consider LIHEAP assistance when calculating the GAP credit: please explain how your practice complies with the GAP statute and tariff.
6. All gas utilities and commenters: if a utility does not consider LIHEAP benefits when calculating the GAP credit, a higher GAP credit is calculated. Please discuss the policy implications of either offering a higher credit to fewer customers, or a smaller credit to more customers.
7. All gas utilities: if the Commission directs utilities to all calculate their credits in the same manner, some number of utilities will need to change their credit calculations. Please describe the steps involved if you were required to change your practice.

Percentage of Household Income:

1. Should the Commission consider reducing the household income threshold in the GAP tariffs from 6 percent to 4 percent for all gas utilities' programs? Why or why not?
2. To gas utilities: if the Commission directs utilities to change the household income threshold from 6 percent to some other number, explain the steps involved to effect such a change.

BURL W. HAAR
MN PUBLIC UTILITIES COMMISSION
SUITE 350
121 7TH PLACE EAST
ST. PAUL, MN 55101-2147

KEVIN ALISHOUSE
GREATER MINNESOTA GAS
SUITE 201
315 1/2 SOUTH MINNESOTA AVENUE
ST. PETER, MN 56082

KATHLEEN M. BRENNAN
MCGRANN SHEA ANDERSON CARNIVAL
STRAUGHN & LAMB, CHARTERED
800 NICOLLET MALL, SUITE 2600
MINNEAPOLIS, MN 55402-7035

SHARON FERGUSON
MN DEPARTMENT OF COMMERCE
SUITE 500
85 7TH PLACE EAST
ST. PAUL, MN 55101-2198

CHRISTOPHER ANDERSON
MINNESOTA POWER
30 WEST SUPERIOR STREET
DULUTH, MN 55802-2093

BOB BRIDGES
VERSO PAPER
100 EAST SARTELL STREET
SARTELL, MN 56377

JULIA ANDERSON
MN OFFICE OF THE ATTORNEY GENERAL
1400 BRM TOWER
445 MINNESOTA STREET
ST. PAUL, MN 55101-2131

JOHN BAILEY
INSTITUTE FOR LOCAL SELF-RELIANCE
1313 FIFTH STREET SE
MINNEAPOLIS, MN 55414

BILL BULLARD
SOUTH DAKOTA PUBLIC UTILITIES COMM
CAPITOL BUILDING
PIERRE, SD 57501-5070

JOHN LINDELL
OAG-RUD
900 BRM TOWER
445 MINNESOTA STREET
ST. PAUL, MN 55101-2130

DONALD R. BALL
GREAT PLAINS NATURAL GAS CO.
400 NORTH FOURTH STREET
BISMARCK, ND 58501

ROBERT S. CARNEY, JR.
4232 COLFAX AVE. S.
MINNEAPOLIS, MN 55409

STEVEN H. ALPERT
MINNESOTA ATTORNEY GENERAL'S OFFICE
1100 BRM TOWER
445 MINNESOTA STREET
ST. PAUL, MN 55101-2131

TIM BARTH
MARATHON PETROLEUM COMPANY
P.O. BOX 3128
HOUSTON, TX 77253

GEORGE CROCKER
NORTH AMERICAN WATER OFFICE
P. O. BOX 174
LAKE ELMO, MN 55042

RONALD M. GITECK
OFFICE OF ATTORNEY GENERAL
RESIDENTIAL UTILITIES DIVISION
445 MINNESOTA STREET, 900 BRM TOWER
ST. PAUL, MN 55101

JAMES J. BERTRAND
LEONARD STREET & DEINARD
SUITE 2300
150 SOUTH FIFTH STREET
MINNEAPOLIS, MN 55402

JEFFREY A. DAUGHERTY
CENTERPOINT ENERGY
800 LASALLE AVENUE
MINNEAPOLIS, MN 55402

KAREN FINSTAD HAMMEL
MN OFFICE OF THE ATTORNEY GENERAL
1400 BRM TOWER
445 MINNESOTA STREET
ST. PAUL, MN 55101-2131

BRENDA A. BJORKLUND
CENTERPOINT ENERGY
800 LASALLE AVENUE
FLOOR 14
MINNEAPOLIS, MN 55402

LESLIE DAVIS
EARTH PROTECTOR, INC.
PO BOX 11688
MINNEAPOLIS, MN 55411-0688

VALERIE M. MEANS
OFFICE OF THE ATTORNEY GENERAL
1400 BRM TOWER
445 MINNESOTA STREET
ST. PAUL, MN 55101

WILLIAM A. BLAZAR
MINNESOTA CHAMBER OF COMMERCE
SUITE 1500
400 ROBERT STREET NORTH
ST. PAUL, MN 55101

BRIAN ELLIOTT
CLEAN WATER ACTION ALLIANCE
326 HENNEPIN AVE. E.
MINNEAPOLIS, MN 55414

KATHLEEN D. SHEEHY
OFFICE OF ADMINISTRATIVE HEARINGS
PO BOX 64620
ST. PAUL, MN 55164-0620

STEVEN BOSACKER
CITY OF MINNEAPOLIS
CITY HALL, ROOM 301M
350 SOUTH FIFTH STREET
MINNEAPOLIS, MN 55415-1376

ELAINE FLESKES
7295 NEWCOMB AVENUE NW
ANNANDALE, MN 55302-3443

MICHAEL AHERN
DORSEY & WHITNEY, LLP
SUITE 1500
50 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402-1498

MICHAEL J. BRADLEY
MOSS & BARNETT
4800 WELLS FARGO CENTER
90 SOUTH SEVENTH STREET
MINNEAPOLIS, MN 55402-4129

MIKE FRANKLIN
MINNESOTA CHAMBER OF COMMERCE
SUITE 1500
400 ROBERT STREET NORTH
ST. PAUL, MN 55101

ELIZABETH GOODPASTER
MN CENTER FOR ENVIRONMENTAL ADVOCACY
SUITE 206
26 EAST EXCHANGE STREET
ST. PAUL, MN 55101-1667

MICHAEL C. KRIKAVA
BRIGGS AND MORGAN, P.A.
2200 IDS CENTER
80 SOUTH 8TH STREET
MINNEAPOLIS, MN 55402

GARY D. SATTERFIELD
MARATHON PETROLEUM COMPANY LLC
P.O. BOX 3128
HOUSTON, TX 77253

WILLIAM GRANT
IZAAK WALTON LEAGUE, MIDWEST OFFICE
1619 DAYTON AVENUE
SUITE 202
ST. PAUL, MN 55104-6206

ROBERT S LEE
MACKALL CROUNSE & MOORE LAW OFFICES
1400 AT&T TOWER
901 MARQUETTE AVENUE
MINNEAPOLIS, MN 55402-2859

RICHARD J. SAVELKOUL
FELHABER, LARSON, FENLON & VOGT, P.
SUITE 2100
444 CEDAR STREET
ST. PAUL, MN 55101-2136

LLOYD W. GROOMS
WINTHROP & WEINSTINE
SUITE 3500
225 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402-4629

MICHAEL LOEFFLER
NORTHERN NATURAL GAS CO.
CORP HQ, 714
1111 SO. 103RD STREET
OMAHA, NE 68124-1000

JANET SHADDIX ELLING
SHADDIX AND ASSOCIATES
9100 WEST BLOOMINGTON FREEWAY
SUITE 122
BLOOMINGTON, MN 55431

TODD J. GUERRERO
FREDRIKSON & BYRON, P.A.
SUITE 4000
200 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402-1425

PAM MARSHALL
ENERGY CENTS COALITION
823 EAST SEVENTH STREET
ST. PAUL, MN 55106

KENNETH W. SMITH, P.E.
DISTRICT ENERGY ST. PAUL INC.
76 W. KELLOGG BLVD.
ST. PAUL, MN 55102

ANNETTE HENKEL
MINNESOTA UTILITY INVESTORS
SUITE 208
400 ROBERT ST. N.
ST. PAUL, MN 55101-2002

BRIAN MELOY, ESQ.
LEONARD, STREET & DEINARD
SUITE 2300
150 SOUTH FIFTH STREET
MINNEAPOLIS, MN 55402

JAMES M. STROMMEN
KENNEDY & GRAVEN, CHARTERED
470 U.S. BANK PLAZA
200 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402

MEGAN HERTZLER
XCEL ENERGY
414 NICOLLET MALL
5TH FLOOR
MINNEAPOLIS, MN 55401-1993

PETER G. MIKHAIL
KENNEDY & GRAVEN, CHARTERED
470 U.S. BANK PLAZA
200 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402

ERIC F. SWANSON
WINTHROP & WEINSTINE
SUITE 3500
225 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402-4629

ARSHIA JAVAHERIAN
ALLIANT ENERGY CORPORATE SERVICES, INC.
PO BOX 77007
MADISON, WI 53707-1007

ANDREW MORATZKA
MACKALL, CROUNSE AND MOORE
1400 AT&T TOWER
901 MARQUETTE AVENUE
MINNEAPOLIS, MN 55402

JAMES R. TALCOTT
NORTHERN NATURAL GAS COMPANY
1111 SOUTH 103RD STREET
OMAHA, NE 68124

JAMES P. JOHNSON
XCEL ENERGY
5TH FLOOR
414 NICOLLET MALL
MINNEAPOLIS, MN 55401-1993

NISSA OLSON
GREATER MINNESOTA GAS, INC.
SUITE 201
315 1/2 SOUTH MINNESOTA AVE.
ST. PATER, MN 56082

SAGONNA THOMPSON
XCEL ENERGY
414 NICOLLET MALL 7TH FLOOR
MINNEAPOLIS, MN 55401-1993

RICHARD J. JOHNSON
MOSS & BARNETT
4800 WELLS FARGO CENTER
90 SOUTH SEVENTH STREET
MINNEAPOLIS, MN 55402

JOSEPH V. PLUMBO
LOCAL UNION 23, I.B.E.W.
932 PAYNE AVENUE
ST. PAUL, MN 55101

LISA VEITH
CITY OF ST. PAUL
400 CITY HALL AND COURTHOUSE
15 WEST KELLOGG BLVD.
ST. PAUL, MN 55102

JOSEPH A. KLENKEN
CENTERPOINT ENERGY
800 LASALLE AVENUE FL. 14
P.O. BOX 59038
MINNEAPOLIS, MN 55459-0038

MICHAEL SARAFOLEAN
GERDAU AMERISTEEL US, INC.
4221 WEST BOY SCOUT BOULEVARD, STE. 600
TAMPA, FL 33607

JAMES E. WALLIN
CITY OF BRAINERD
CITY HALL
501 LAUREL STREET
BRAINERD, MN 56401

MARY JO WOOLF
XCEL ENERGY
7TH FLOOR
414 NICOLLET MALL
MINNEAPOLIS, MN 55401-1993

CATARINA ZUBER
AVANT ENERGY SERVICES
SUITE 300
200 SOUTH SIXTH STREET
MINNEAPOLIS, MN 55402