

7610.1010 FORECAST DOCUMENTATION.

Subpart 1. **Forecast methodology.** A utility may use whatever forecast methodology it believes is most appropriate for its Minnesota service area. However, utilities with annual Minnesota sales of more than 10,000,000 Mcf during the last calendar year shall describe the forecast methodology employed by providing the following documentation:

- A. the overall methodological framework used;
- B. the specific analytical techniques used, their purpose, and the components of the forecast to which they have been applied;
- C. the manner in which these specific techniques are related in producing the forecast;
- D. where statistical techniques have been used, the purpose of the techniques, typical computations (e.g., computer printouts, formulas used) specifying variables and data, and the results of appropriate statistical tests;
- E. forecast confidence levels or ranges of accuracy for annual peak demand and annual gas consumption;
- F. a brief analysis of the methodology used, including its strengths and weaknesses, its suitability to the utility's service area, cost considerations, data requirements, past accuracy, and any other factors considered significant by the utility; and
- G. an explanation of any discrepancies between the forecasts presented by the utility and forecasts submitted in past years.

Subp. 2. **Data base for forecasts.** The utility shall provide a written discussion of the data base used in arriving at the forecast presented in parts 7610.0900 to 7610.1010 including:

- A. a complete list of all data sets used in making the forecast, including a brief description of each data set and an explanation of how it was obtained, (e.g., monthly observations, billing data, consumer survey, etc.) or a citation to the source (e.g., population projection from the state demographer); and
- B. a clear explanation of any adjustments made to raw data to adapt them for use in forecasts, including the nature of the adjustments, the reasons for the adjustments, and the magnitude of the adjustments.

Subp. 3. **Discussion of assumptions.** The utility shall discuss in writing each essential assumption made in preparing the forecasts, including the need for the assumption, the nature of the assumption, and the sensitivity of forecast results to variations in the essential assumption.

Subp. 4. **Subject of assumption.** The utility shall discuss the assumptions made regarding the availability of alternative sources of energy, any expected conversion from other fuels to gas or vice versa, future prices of gas for customers in the utility's Minnesota service area and the effect that such price changes will likely have on demand, the assumptions made in arriving at any data requested in parts 7610.0900 to 7610.1010 that are not available historically or not generated by the utility in preparing its own internal forecast, the effect of existing energy conservation programs under federal or state legislation or long term gas demand, the projected effect of new conservation programs that the utility deems likely to occur through future state and federal legislation on long term gas demand, and any other factor considered by the utility in preparing the forecast.

Statutory Authority: *MS s 216C.10*

History: *L 1987 c 312 art 1 s 9; 16 SR 1400*

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