

7851.0270 PEAK DEMAND AND ANNUAL GAS SALES FORECAST.

Subpart 1. **Joint applications.** In a joint application, separate responses are required from each person for information required by this part.

Subp. 2. **Scope.** Each application shall contain actual data and forecasts of peak demand and annual gas consumption within the applicant's service area and system. When recorded data is not available, or when the applicant does not use the required data in preparing its own forecast, the applicant shall use an estimate and indicate in the forecast justification section, subpart 4, the procedures used in deriving the estimate. The application shall clearly indicate which are historical data and which are estimates. Data provided by the applicant should be reasonable and internally consistent.

Subp. 3. **Content.** For each forecast year, the following data shall be provided:

A. if the applicant's service area includes areas other than Minnesota, annual gas consumption by ultimate consumers within the applicant's Minnesota service area;

B. annual gas consumption by ultimate consumers and the number of such customers within the applicant's system in the following categories:

(1) residential firm (when gas is supplied through a single meter for both residential and commercial uses, it should be reported according to its principal use, and apartment buildings shall be reported as residential even if not metered separately);

(2) commercial firm using less than 200 Mcf on peak day;

(3) commercial firm with a peak day requirement equal to or greater than 200 Mcf;

(4) industrial firm using less than 200 Mcf on peak day;

(5) industrial firm with a peak day requirement equal to or greater than 200 Mcf;

(6) commercial and industrial interruptible;

(7) other (this category shall include storage gas and other sales or deliveries not covered in subitems (1) to (6));

(8) unaccounted for; and

(9) the sum of subitems (1) to (8);

C. an estimate of the daily demand for gas by ultimate consumers in the applicant's system for each of the categories listed in item B at the time of the applicant's system peak demand; and

D. the applicant's system peak demand by month.

Subp. 4. Forecast justification.

A. Forecast methodology: each applicant may use a forecast methodology of its own choosing, with due consideration given to cost, staffing requirements, and data availability. However, any forecasts provided by the applicant shall be subject to tests of accuracy, reasonableness, and consistency. The applicant shall detail the forecast methodology employed to obtain the forecasts provided under subpart 3, including:

- (1) the overall methodological framework that is used;
- (2) the specific analytical techniques that are used, their purpose, and the components of the forecast to which they have been applied;
- (3) the manner in which these specific techniques are related in producing the forecast;
- (4) where statistical techniques have been used, the purpose of the technique, typical computations (e.g., computer printouts, formulas used), specifying variables and data, and the results of appropriate statistical tests;
- (5) forecast confidence levels or ranges of accuracy for annual peak demand and annual gas consumption, as well as a description of their derivation;
- (6) a brief analysis of the methodology used, including:
 - (a) its strength and weaknesses;
 - (b) its suitability to the system;
 - (c) cost considerations;
 - (d) data requirements;
 - (e) past accuracy; and
 - (f) other factors considered significant by the applicant; and
- (7) an explanation of any discrepancies that appear between the forecasts submitted to the commission under these rules and those submitted under chapter 7610, or in the applicant's previous certificate of need proceedings.

B. Data base: the applicant shall discuss the data base used in arriving at the forecast presented in its application, including:

- (1) 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 each was obtained, (e.g., monthly observations, billing data, consumer survey) or a citation to the source (e.g., population projection from the state demographer's office);

(2) a clear identification of any adjustments made to raw data to adapt them for use in forecasts, including the nature of the adjustment, the reason for the adjustment, and the magnitude of the adjustment.

The applicant shall provide to the commission or the administrative law judge on demand copies of all data sets used in making the forecasts, including both raw and adjusted data, and input and output data.

C. Assumptions and special information: the applicant shall discuss each essential assumption made in preparing the forecast, including the need for the assumption, the nature of the assumption, and the sensitivity of forecast results to variations in the assumption.

D. Subject of assumption: the applicant shall discuss the assumptions made regarding:

- (1) the availability of alternate sources of energy;
- (2) the expected conversion from other fuels to gas or vice versa;
- (3) future prices of gas for customers in the applicant's system and the effect that such price changes will likely have on the applicant's system demand;
- (4) the assumptions made in arriving at any data requested in subpart 3 that are not available historically or not generated by the applicant in preparing its own internal forecast;
- (5) the effect of existing energy conservation programs under federal or state legislation on long-term gas demand; and
- (6) any other factor considered by the applicant in preparing the forecast.

Statutory Authority: *MS s 216B.08; 216B.2421; 216B.243; 216C.10*

History: *L 1983 c 289 s 115; L 1984 c 640 s 32; 17 SR 1279*

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