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May 5, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. G011/M-14-361

Dear Dr. Haar:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Request by Minnesota Energy Resources Corporation (MERC) for Approval of its  
Proposed Winter Construction Charges.

The *Petition* was filed on April 30, 2014 by:

Gregory J. Walters  
Regulatory and Legislative Affairs Manager  
Minnesota Energy Resources Corporation  
3460 Technology Drive NW  
Rochester, MN 55901

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve** MERC's filing and is available to answer any questions the Commission may have.

Sincerely,

/s/ MICHAEL N. ZAJICEK  
Rates Analyst

MNZ/sm  
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES

DOCKET NO. G011/M-14-361

**I. SUMMARY OF MINNESOTA ENERGY RESOURCES CORPORATION'S FILING**

On April 30<sup>th</sup>, 2014, Minnesota Energy Resource Corporation (MERC or the Company) filed a *Petition* for approval by the Minnesota Public Utilities Commission (Commission) of its proposed Winter Construction Charges. MERC requested “approval of updated tariffs that incorporate adjustments to charges for winter construction.” The Company stated that the adjustments to the Winter Construction Charges would allow MERC to recover the costs in excess of normal summer construction costs imposed on customers who choose to have natural gas service installed during winter construction conditions. The Company provided a redlined and clean tariff sheet for review as well as a letter from Northern Pipeline Construction Company (NPL) confirming its agreed upon winter construction charges for 2014.

Specifically, MERC’s proposed changes to its winter construction charges, as shown in its redlined tariff sheet,<sup>1</sup> are as follows:

- Winter Construction Charge: \$~~5.5039~~ (7 County Metro), \$~~4.9686~~ (out-state) per lineal foot;
- Frost Charge: \$~~6.055.93~~ (7 County Metro), \$~~5.7766~~ (out-state) per lineal foot.

**Bell Holes:** When it is necessary to use thawing devices in order to excavate the bell hole, or locate other utility crossings, there will be a per burner charge of \$~~279.90274.41~~.

<sup>1</sup> *Petition*, Attachment.

As also shown on its redlined tariff sheet, MERC proposed an effective date of June 30, 2014 for “bills issued on and after this date.”

## **II. DEPARTMENT ANALYSIS**

MERC’s filing indicated that the proposed winter construction charges equal the charges NPL will charge MERC in the 2014 winter construction season. Therefore, the Minnesota Department of Commerce, Division of Energy Resources (Department) concludes that MERC’s proposed 2014 winter construction charges are reasonable. The Department recommends that the Commission approve MERC’s proposed winter construction charges as shown in the 5<sup>th</sup> Revised Sheet No. 9.06.

## **III. DEPARTMENT RECOMMENDATIONS**

Based on the analysis provided above, the Department recommends that the Commission:

- approve MERC’s winter construction charges in the 5<sup>th</sup> Revised Sheet No. 9.06 as follows:
  - Winter Construction Charge: \$5.50 (7 County Metro), \$4.96 (out-state) per lineal foot;
  - Frost Charge: \$6.05 (7 Country Metro), \$5.77 (out-state) per lineal foot; and
  - Bell Holes: When it is necessary to use thawing devices in order to excavate the bell hole, or locate other utility crossings, there will be a per burner charge of \$279.90.
- Approve an effective date of June 30, 2014; and
- Require MERC to file, as a compliance filing within 10 days of the *Order* issue date in the present docket, the relevant tariff sheets that comply with the Commission’s determinations in this proceeding.

/sm

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Comments**

**Docket No. G011/M-14-361**

Dated this **5<sup>th</sup>** day of **May 2014**

**/s/Sharon Ferguson**

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