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March 30, 2009

**VIA ELECTRONIC FILING**

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation-PNG for Approval of a Change in Demand Entitlement for its Viking Gas Transmission System  
Docket No. G011/M-08-1331

Dear Dr. Haar:

On March 6, 2009, Minnesota Energy Resources Corporation ("MERC") submitted its Reply Comments in response to the Office of Energy Security's ("OES") Comments dated February 9, 2009 in the above-referenced docket.

MERC would like to clarify its response to Part B.1 in its Reply Comments. The OES had invited MERC to identify separately, by service and interstate pipeline contract, the amount of CD units included in the proposed design day and peak-day entitlement levels along with the previous entitlement levels as shown in OES Attachments 1 and 2. MERC responded that there are no CD units in the proposed design day or in the contracts listed on OES Attachment 1 and Attachment 2. MERC would like to clarify its response as follows:

MERC does not separately contract for contracted demand by service or interstate pipeline contract. As stated in the Testimony of Greg Walters in MERC's rate case in Docket No. G007,011/GR-08-835, although MERC includes contracted demand volumes in its firm volumes to calculate peakday requirements, the Company does not separately plan for firm contracted demand capacity in its purchase of firm pipeline capacity. The specific period of time for which a joint rate customer takes contracted firm service from the Company can vary based on the initial contracted term or the cancellation of a contract upon 90 days notice. Because of this variability of firm contracted demand by Joint customers, the Company does not purchase firm pipeline capacity specifically to serve the contracted demand capacity of joint rate customers; nor does the Company allocate a specific amount of firm capacity to meet contracted demand volumes. Instead, because of the historically small volume of firm contracted demand capacity, the Company currently serves firm contracted demand needs out of its reserve margin.

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Thank you for your attention to this matter.

Sincerely yours,

/s/ Michael J. Ahern

Michael J. Ahern

cc: Service List

**AFFIDAVIT OF SERVICE**

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF HENNEPIN        )

Sarah J. Kerbeshian, being first duly sworn on oath, deposes and states that on the 30th day of March, 2009, the Reply Comments of Minnesota Energy Resources Corporation were electronically filed with the Minnesota Public Utilities Commission and the Minnesota Department of Commerce. A copy of the filing was delivered by first class mail to the remaining individuals on the attached service list.

/s/ Sarah J. Kerbeshian

Subscribed and sworn to before me  
this 30th day of March, 2009.

/s/ Alice A. Jaworski  
Notary Public, State of Minnesota

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