



Minnesota Energy Resources Corporation
2685 145th Street West
Rosemount, MN 55068
www.minnesotaenergyresources.com

June 19, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

**Re: Reply Comments of Minnesota Energy Resources Corporation, 2017
Annual Decoupling Evaluation Report**

Docket Nos. G011/GR-10-977 and G011/GR-15-736

Dear Mr. Wolf:

On June 11, 2018, the Minnesota Department of Commerce, Division of Energy Resources ("Department") submitted Comments in the above-referenced dockets regarding Minnesota Energy Resources Corporation's ("MERC" or the "Company") Decoupling Evaluation Report for calendar year 2017. The Department recommended that the Minnesota Public Utilities Commission ("Commission") take the following action:

[A]pprove MERC's proposed [revenue decoupling mechanism ("RDM")] Adjustment of \$0.01643 per therm for its Residential customers and \$0.01774 per therm for its Small C&I customers, as proposed in the Company's 2016 Calculation filed March 1, 2018. The Department also recommends that the Commission approve MERC's 2017 Annual Decoupling Evaluation Report.¹

Further, because the issue of whether MERC's RDM should be extended to other customer classes is being debated in the Company's current rate case, Docket No. G011/GR-17-563, the Department does not discuss that issue in its comments and reserves determination of that issue for the rate case.

MERC thanks the Department for its thorough analysis and review. Based on the Comments submitted, MERC and the Department are in agreement and no open issues remain. MERC respectfully requests that the Commission take the action recommended in the Department's Comments.

¹ Department Comments at 8.

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If you have any questions, please do not hesitate to contact me at (651) 322-8965.

Sincerely yours,

/s/ Amber S. Lee
Amber S. Lee
Regulatory and Legislative Affairs
Manager
Minnesota Energy Resources
Corporation

cc: Service List

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 19th day of June, 2018 on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed a true and correct copy of the enclosed Reply Comments on www.edockets.state.mn.us. Said documents were also served via U.S. mail and electronic service as designated on the attached service list.

Dated this 19th day of June, 2018.

/s/ Kristin M. Stastny
Kristin M. Stastny

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