



Minnesota Energy Resources Corporation
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August 16, 2021

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

VIA ELECTRONIC FILING

Re: In the Matter of Minnesota Energy Resources Corporation's Gas
Affordability Program 2020 Annual Report, Docket No. G011/M-21-224

**Modified and Preferred Decision Alternatives – Minnesota Energy
Resources Corporation**

Dear Mr. Seuffert:

Minnesota Energy Resources Corporation ("MERC" or the "Company") submits the below modified Decision Alternatives for the Commission's consideration at its August 19, 2021 Agenda Meeting in the above-referenced docket, to reflect the Company's recommendations and responses from its June 28 and August 4 Reply Comments.

MERC supports Decision Alternatives 1, 21, and 25 from Commission Staff's Briefing Papers. The Company does not believe any of the additional decision alternatives are necessary or warranted.

With respect to the elimination of credit balances on GAP customer accounts, MERC recommends that the Commission take no action on Decision Alternatives 22 and 23.

As explained in MERC's August 4, 2021 Additional Reply Comments, in accordance with the Energy Assistance Program Policy Manual, the Company cannot stop applying the full amount of the EAP to a customer's account unless the household discontinues as a customer or a refund is requested by the EAP Service Provider.¹ As a result, MERC cannot eliminate instances where application of an EAP causes a credit balance to a customer's account.

If the Commission wishes to take action on the Department's recommended options, MERC proposes modified decision language to ensure such changes are consistent with Energy Assistance Program Policy Guidance.

¹ Minnesota Department of Commerce, Energy Assistance Program Policy Manual, FFY2, Chapter 3, Page 5, <https://mn.gov/commerce-stat/pdfs/ffy2021-eap-policy-manual.pdf>. ("If the household account is active, EAP benefits must remain on the household account, unless the household discontinues as a customer or a refund is requested by the Service Provider. In each case, refunds must be made to the Energy Assistance Program.").

Revised Decision Alternative 22. Require MERC to ensure that its affordability credits ~~and energy assistance payments~~ are only applied as a reduction to customers' bills and/or positive arrearage balances. (DOC, MERC)

Revised Decision Alternative 23. If applicable, require MERC to apply any existing negative arrearage balance as an immediate credit to the applicable customers' bills until the credit is used up. If MERC cannot fully apply the negative arrearage balance related to customer affordability credits over a 12-month period, for issues such as a customer leaving MERC's service territory, MERC should add the credit to the tracker balance, where the funds can be applied to other customers. (DOC)

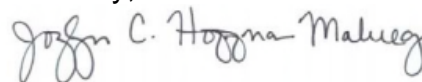
Additionally, if the Commission approves Revised Decision Alternative 22, Revised Decision Alternative 23, and/or Decision Alternative 25 from Commission Staff Briefing Papers, MERC also proposes the following New Decision Alternative, to reflect the Company's proposal to submit a compliance filing once it has completed the steps necessary to implement the proposed changes:

New Decision Alternative ##. Require MERC to submit a compliance filing upon implementation of the changes to its GAP in accordance with the Commission's Order, with revised tariff language reflecting the date those changes are implemented.

With respect to the Energy CENTS Coalition's requests and recommendations reflected in Decision Alternatives 26 through 29, the Company has already provided information responsive to each of these requests in its June 28, 2021 Reply Comments. As a result, those alternatives are not necessary and MERC recommends that the Commission take no action with respect to Decision Alternatives 26 through 29.

Please contact me at (414) 221-4208 if you have any questions regarding the information in this filing. Thank you for your attention to this matter.

Sincerely,



Joylyn C. Hoffman Malueg
Project Specialist 3
Minnesota Energy Resources Corporation

cc: Service List

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 16th day of August, 2021, on behalf of Minnesota Energy Resources Corporation (MERC) I electronically filed a true and correct copy of the enclosed Letter 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 16th day of August, 2021.

/s/ Kristin M. Stastny
Kristin M. Stastny

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-224_Official
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Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-224_Official

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