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April 9, 2015

**VIA ELECTRONIC FILING**

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

Re: In the Matter of the Petition by Minnesota Energy Resources Corporation (MERC) for Approval of a Change in Demand Entitlement for its Customers Served off of the Consolidated System  
Docket No. G011/M-14-661  
Additional Reply Comments

Dear Mr. Wolf:

On April 3, 2015, the Department of Commerce, Division of Energy Resources (the Department) filed Response Comments, responding to the Reply comments submitted by Minnesota Energy Resources Corporation (MERC) on December 11, 2014. In its Response Comments, the Department recommended that the Commission accept MERC's peak-day analysis with the caveat that the Department cannot fully verify the results of MERC's analysis and approve MERC's proposed level of demand entitlement and proposed recovery of associated demand costs effective November 1, 2014. The Department also stated, however, that MERC's response regarding how MERC intends to serve its customers reliably given the negative Viking pipeline reserve margin and the Viking pipeline situation based on the pressure restrictions and Pipeline and Hazardous Materials Safety Administration action was not satisfactory. MERC submits these Additional Reply Comments to provide further explanation to the Department's request.

As the Department noted in its Response Comments, the heating season is now over and MERC did not face any reliability issues during the season. MERC intends to explore all available options to serve its customers reliably given the negative Viking pipeline reserve margin including Emerson, Northern Natural Gas, Great Lakes Gas Transmission, and ANR. Additionally, MERC is planning to modify its current design day methodology due to the fact that MERC now has daily interruptible data which will eliminate the need to estimate the interruptible load in determining the firm design day requirements. MERC will continue to work to address the reserve margin on Viking prior to its next demand entitlement filing.

Thank you for your attention to this matter.

Sincerely yours,

/s/ Michael J. Ahern

Michael J. Ahern

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA            )  
  ) ss  
COUNTY OF HENNEPIN        )

Kristin M. Stastny hereby certifies that on the 9th day of April, 2015, on behalf of Minnesota Energy Resources Corporation (MERC) she electronically filed a true and correct copy of the attached Additional Reply Comments on [www.edockets.state.mn.us](http://www.edockets.state.mn.us). Said documents were also served via U.S. mail and electronic service as designated on the attached service list.

/s/ Kristin M. Stastny  
Kristin M. Stastny

Subscribed and sworn to before me  
This 9th Day of April, 2015.

/s/ Alice Jaworski  
Notary Public, State of Minnesota

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