



Minnesota Energy Resources Corporation  
Suite 200  
1995 Rahncliff Court  
Eagan, MN 55122  
[www.minnesotaenergyresources.com](http://www.minnesotaenergyresources.com)

August 10, 2015

**VIA ELECTRONIC FILING**

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

Re: Reply Comments, Rate Refund Compliance Filing  
In the Matter of the Application of Minnesota Energy Resources Corporation  
for Authority to Increase Rates for Natural Gas Service in Minnesota; Docket  
No. G011/GR-13-617

Dear Mr. Wolf:

On July 31, 2015, the Department of Commerce, Division of Energy Resources ("Department") filed a letter in the above referenced docket raising concerns with Minnesota Energy Resources Corporation's ("MERC") proposal to donate unclaimed customer refunds in the amount of \$182,160.54 to the Salvation Army Northern Division ("Salvation Army") for distribution to clients under the Minnesota HeatShare Program. The Department noted that the amount to be donated appeared to be unusually high and expressed concern that MERC ratepayers were not receiving refunds for the amounts they paid.

As a result of the concerns raised by the Department, MERC undertook an analysis of the interim refund. In total, MERC refunded approximately \$4.5 million and had an unrefunded amount of approximately \$182,000. Our analysis shows that the unrefunded amount stems from an error in the implementation of the interim refund. MERC is currently in the process of doing a detailed evaluation of the refund to determine whether any adjustments are necessary to properly refund customers for interim rates. We expect that we will issue additional refunds of some of the unrefunded \$182,000 and any remainder will be dealt with in accordance with Minnesota Statutes.

MERC will not take any steps with respect to the \$182,160.54 it had proposed to donate until the issue has been resolved and will make a subsequent filing in this docket to document resolution of the discrepancy and to make a proposal for the treatment of unrefunded amounts. Such proposal will respond to the specific questions of the Department including: (1) what categories of un-refunded money are included in the proposed donation, (2) what the amount to be donated is by customer class, (3) what steps MERC takes to locate customers who are owed a refund, (4) how the proposal is consistent with Minnesota Statute Chapter 345, and (5) how the proposal is consistent with prior Commission Orders.

Please contact me at (920) 433-2926 if you have any questions.

Sincerely yours,

A handwritten signature in black ink that reads "Seth DeMerritt". The signature is written in a cursive, slightly slanted style.

Seth DeMerritt  
Rate Case Consultant

cc: Service List

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 10th day of August, 2015, 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](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.

Dated this 10th day of August, 2015.

/s/ Kristin M. Stastny  
Kristin M. Stastny

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Auger	mauger@usenergyservices.com	U S Energy Services, Inc.	Suite 1200 605 Highway 169 N Minneapolis, MN 554416531	Electronic Service	No	OFF_SL_13-617_Official List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-617_Official List
Amber	Lee	ASLee@minnesotaenergyresources.com	Minnesota Energy Resources Corporation	2665 145th St W  Rosemount, MN 55068	Electronic Service	No	OFF_SL_13-617_Official List
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_13-617_Official List
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-617_Official List
Barbara	Nick	banick@integrysgroup.com	Minnesota Energy Resources Corporation	2665 145th Street PO Box 455 Rosemount, MN 55068-0455	Electronic Service	No	OFF_SL_13-617_Official List
Steve	Sorenson	N/A	Constellation Energy	12120 Port Grace Blvd, Suite 200  La Vista, NE 68128	Paper Service	No	OFF_SL_13-617_Official List
Casey	Whelan		U.S. Energy Services, Inc.	Suite 1200 605 Highway 169 North Minneapolis, MN 554416531	Paper Service	No	OFF_SL_13-617_Official List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	OFF_SL_13-617_Official List