



Minnesota Energy Resources

1995 Rahnclyff Court, Suite 200

Eagan, MN 55122

www.minnesotaenergyresources.com

July 23, 2015

VIA ELECTRONIC FILING

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

Re: **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:

By an Order dated March 18, 2015, the Minnesota Public Utilities Commission's ("Commission") authorized Minnesota Energy Resources Corporation's ("MERC") to implement its final rates effective April 1, 2015, approved MERC's refund plan, and required that MERC submit a compliance filing that separately shows the actual refunds and interest paid by rate class, including supporting calculations, within 10 days of the completion of the refund for all of its customers. MERC submits this compliance filing in accordance with the Commission's March 18, 2015 Order.

MERC has now completed all rate refunds to its customers in accordance with the proposed refund plan. MERC has refunded a total of \$4,496,953.74, including \$110,771.61 of interest.

Attachment 1 to this filing shows MERC's calculation of the refund obligation, the related interest, and the actual amount distributed to the customer classes. As described in MERC's June 11, 2015 letter filing, the first 5 of MERC's 20 bill cycles were not issued refunds in June as previously planned and therefore, an additional \$3,160.54 of interest was calculated, in addition to what is shown on Attachment 1. Refund amounts, including interest, were credited to customer bills in June (Bill Cycles 6 through 20) and July (Bill Cycles 1 -5) for current customers, and checks were mailed to the last known address of inactive accounts that were due amounts greater than \$2.00. For unclaimed amounts, a donation of \$182,160.54 will be forwarded to the Salvation Army Northern Division for distribution to clients under the Minnesota HeatShare Program.

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

Sincerely yours,

A handwritten signature in black ink that reads "Seth DeMerritt".

Seth DeMerritt
Rate Case Consultant

cc: Service List

Docket No. G-011/GR-13-617
 Interim Rate Refund Compliance Filing
 July 23, 2015
 Attachment 1

Minnesota Energy Resources Corporation
 Docket No. G011/GR-13-617 - Compliance Filing
 Interim Refund Summary

Line No.	Test Year Basis	Total	Flex and Super Large Volume	Total less Flex and Super Large Volume
1	Initial Ordered Interim Increase	\$ 10,747,751	\$ 285,336	\$ 10,462,415
2	Waived Interim Relief	\$ 229,722	\$ 229,722	\$ -
3	Total Interim Increase Line 1 - Line 2	\$ 10,518,029	\$ 55,614	\$ 10,462,415
4	Final Ordered Increase	\$ 7,580,704	\$ 72,512	\$ 7,508,192
5	Test Year Refund Line 3 - Line 4	\$ 2,937,325	\$ (16,898)	\$ 2,954,223
6	Interim Refund Factor Line 5 / Line 3	27.93%	-30.38%	28.24%
Actual Basis				
7	Interim Increase Collected Attachment 1, Page 2	\$ 16,221,317	\$ 69,340	\$ 16,151,977
8	Refund Obligation (without Interest) Line 6 * Line 7	\$ 4,530,058	\$ (21,068)	\$ 4,560,758
9	Actual Ordered Interim Increase Line 7 - Line 8	\$ 11,691,259	\$ 90,408	\$ 11,591,219
10	Interest Attachment 1, Page 2	\$ 114,388	\$ (497)	\$ 115,196
11	Total Refund Obligation Line 8 + Line 10	\$ 4,644,446	\$ (21,565)	\$ 4,675,953.84
12	Refund Factor Line 11 / Line 7	28.63%	-31.10%	28.95%
13	Average Residential Refund			\$ 10.03

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Interim Refund Summary

Total MERC

Billing Month	Interim Increase	Interim Allowed	Difference	Beginning Balance	Ending Balance	Average Balance	Number of Days	Annual Interest*	Monthly Interest
January-14	\$ 513,772	\$ 370,293	\$ 143,479	\$ -	\$ 143,479	\$ 71,739	31	3.25%	\$ 198
February-14	\$ 1,744,812	\$ 1,257,546	\$ 487,266	\$ 143,677	\$ 630,943	\$ 387,310	28	3.25%	\$ 966
March-14	\$ 1,614,950	\$ 1,163,950	\$ 451,000	\$ 631,909	\$ 1,082,909	\$ 857,409	31	3.25%	\$ 2,367
April-14	\$ 1,215,484	\$ 876,041	\$ 339,443	\$ 1,085,276	\$ 1,424,719	\$ 1,254,997	30	3.25%	\$ 3,352
May-14	\$ 884,484	\$ 637,478	\$ 247,006	\$ 1,428,071	\$ 1,675,077	\$ 1,551,574	31	3.25%	\$ 4,283
June-14	\$ 584,263	\$ 421,098	\$ 163,165	\$ 1,679,360	\$ 1,842,525	\$ 1,760,942	30	3.25%	\$ 4,704
July-14	\$ 477,836	\$ 344,393	\$ 133,443	\$ 1,847,228	\$ 1,980,672	\$ 1,913,950	31	3.25%	\$ 5,283
August-14	\$ 459,356	\$ 331,074	\$ 128,282	\$ 1,985,955	\$ 2,114,237	\$ 2,050,096	31	3.25%	\$ 5,659
September-14	\$ 464,616	\$ 334,865	\$ 129,751	\$ 2,119,896	\$ 2,249,647	\$ 2,184,772	30	3.25%	\$ 5,836
October-14	\$ 557,308	\$ 401,671	\$ 155,637	\$ 2,255,483	\$ 2,411,120	\$ 2,333,302	31	3.25%	\$ 6,441
November-14	\$ 831,190	\$ 599,067	\$ 232,123	\$ 2,417,561	\$ 2,649,684	\$ 2,533,622	30	3.25%	\$ 6,768
December-14	\$ 1,385,125	\$ 998,307	\$ 386,818	\$ 2,656,452	\$ 3,043,270	\$ 2,849,861	31	3.25%	\$ 7,866
January-15	\$ 1,553,948	\$ 1,119,984	\$ 433,965	\$ 3,051,136	\$ 3,485,100	\$ 3,268,118	31	3.25%	\$ 9,021
February-15	\$ 1,519,326	\$ 1,095,030	\$ 424,296	\$ 3,494,121	\$ 3,918,417	\$ 3,706,269	28	3.25%	\$ 9,240
March-15	\$ 1,580,991	\$ 1,139,474	\$ 441,516	\$ 3,927,657	\$ 4,369,174	\$ 4,148,416	31	3.25%	\$ 11,451
April-15	\$ 806,054	\$ 580,951	\$ 225,103	\$ 4,380,625	\$ 4,605,728	\$ 4,493,176	30	3.25%	\$ 12,002
May-15	\$ 27,801	\$ 20,037	\$ 7,764	\$ 4,617,730	\$ 4,625,494	\$ 4,621,612	31	3.25%	\$ 12,757
June-15	\$ -	\$ -	\$ -	\$ 4,638,251	\$ -	\$ 2,319,126	30	3.25%	\$ 6,195
Total	\$ 16,221,317	\$ 11,691,259	\$ 4,530,058						\$ 114,388

Super Large Volume & FLEX

Billing Month	Interim Increase	Interim Allowed	Difference	Beginning Balance	Ending Balance	Average Balance	Number of Days	Annual Interest*	Monthly Interest
January-14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	31	3.25%	\$ -
February-14	\$ 4,260	\$ 5,554	\$ (1,294)	\$ -	\$ (1,294)	\$ (647)	28	3.25%	\$ (2)
March-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (1,296)	\$ (2,600)	\$ (1,948)	31	3.25%	\$ (5)
April-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (2,605)	\$ (3,909)	\$ (3,257)	30	3.25%	\$ (9)
May-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (3,918)	\$ (5,222)	\$ (4,570)	31	3.25%	\$ (13)
June-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (5,234)	\$ (6,538)	\$ (5,886)	30	3.25%	\$ (16)
July-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (6,554)	\$ (7,858)	\$ (7,206)	31	3.25%	\$ (20)
August-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (7,878)	\$ (9,182)	\$ (8,530)	31	3.25%	\$ (24)
September-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (9,205)	\$ (10,509)	\$ (9,857)	30	3.25%	\$ (26)
October-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (10,536)	\$ (11,840)	\$ (11,188)	31	3.25%	\$ (31)
November-14	\$ 4,291	\$ 5,595	\$ (1,304)	\$ (11,870)	\$ (13,174)	\$ (12,522)	30	3.25%	\$ (33)
December-14	\$ 4,332	\$ 5,648	\$ (1,316)	\$ (13,208)	\$ (14,524)	\$ (13,866)	31	3.25%	\$ (38)
January-15	\$ 5,933	\$ 7,736	\$ (1,803)	\$ (14,562)	\$ (16,365)	\$ (15,464)	31	3.25%	\$ (43)
February-15	\$ 5,137	\$ 6,698	\$ (1,561)	\$ (16,408)	\$ (17,969)	\$ (17,188)	28	3.25%	\$ (43)
March-15	\$ 5,566	\$ 7,257	\$ (1,691)	\$ (18,011)	\$ (19,703)	\$ (18,857)	31	3.25%	\$ (52)
April-15	\$ 5,489	\$ 7,157	\$ (1,668)	\$ (19,755)	\$ (21,422)	\$ (20,589)	30	3.25%	\$ (55)
May-15	\$ -	\$ -	\$ -	\$ (21,477)	\$ (21,477)	\$ (21,477)	31	3.25%	\$ (59)
June-15	\$ -	\$ -	\$ -	\$ (21,537)	\$ -	\$ (10,768)	30	3.25%	\$ (29)
Total	\$ 69,340	\$ 90,408	\$ (21,068)						\$ (497)

MERC less Super Large Volume & FLEX

Billing Month	Interim Increase	Interim Allowed	Difference	Beginning Balance	Ending Balance	Average Balance	Number of Days	Annual Interest*	Monthly Interest
January-14	\$ 513,772	\$ 368,701	\$ 145,071	\$ -	\$ 145,071	\$ 72,536	31	3.25%	\$ 200
February-14	\$ 1,740,552	\$ 1,249,080	\$ 491,471	\$ 145,272	\$ 636,743	\$ 391,007	28	3.25%	\$ 975
March-14	\$ 1,610,659	\$ 1,155,865	\$ 454,794	\$ 637,718	\$ 1,092,512	\$ 865,115	31	3.25%	\$ 2,388
April-14	\$ 1,211,193	\$ 869,194	\$ 341,999	\$ 1,094,900	\$ 1,436,899	\$ 1,265,899	30	3.25%	\$ 3,382
May-14	\$ 880,193	\$ 631,657	\$ 248,536	\$ 1,440,280	\$ 1,688,816	\$ 1,564,548	31	3.25%	\$ 4,319
June-14	\$ 579,971	\$ 416,208	\$ 163,764	\$ 1,693,135	\$ 1,856,899	\$ 1,775,017	30	3.25%	\$ 4,741
July-14	\$ 473,545	\$ 339,832	\$ 133,713	\$ 1,861,640	\$ 1,995,353	\$ 1,928,496	31	3.25%	\$ 5,323
August-14	\$ 455,065	\$ 326,570	\$ 128,495	\$ 2,000,676	\$ 2,129,170	\$ 2,064,923	31	3.25%	\$ 5,700
September-14	\$ 460,325	\$ 330,345	\$ 129,980	\$ 2,134,870	\$ 2,264,850	\$ 2,199,860	30	3.25%	\$ 5,876
October-14	\$ 553,016	\$ 396,864	\$ 156,153	\$ 2,270,726	\$ 2,426,879	\$ 2,348,803	31	3.25%	\$ 6,483
November-14	\$ 826,898	\$ 593,411	\$ 233,487	\$ 2,433,362	\$ 2,666,850	\$ 2,550,106	30	3.25%	\$ 6,812
December-14	\$ 1,380,792	\$ 990,905	\$ 389,888	\$ 2,673,662	\$ 3,063,549	\$ 2,868,606	31	3.25%	\$ 7,918
January-15	\$ 1,548,015	\$ 1,110,909	\$ 437,106	\$ 3,071,468	\$ 3,508,573	\$ 3,290,021	31	3.25%	\$ 9,081
February-15	\$ 1,514,189	\$ 1,086,634	\$ 427,554	\$ 3,517,655	\$ 3,945,209	\$ 3,731,432	28	3.25%	\$ 9,303
March-15	\$ 1,575,425	\$ 1,130,579	\$ 444,845	\$ 3,954,512	\$ 4,399,358	\$ 4,176,935	31	3.25%	\$ 11,529
April-15	\$ 800,566	\$ 574,514	\$ 226,052	\$ 4,410,887	\$ 4,636,939	\$ 4,523,913	30	3.25%	\$ 12,084
May-15	\$ 27,801	\$ 19,951	\$ 7,850	\$ 4,649,023	\$ 4,656,873	\$ 4,652,948	31	3.25%	\$ 12,843
June-15	\$ -	\$ -	\$ -	\$ 4,669,717	\$ -	\$ 2,334,858	30	3.25%	\$ 6,237
Total	\$ 16,151,977	\$ 11,591,219	\$ 4,560,758						\$ 115,196

Monthly Interest is calculated by dividing the Annual interest rate by 365 days of the year, and then multiplying the daily interest rate by the number of days in the month and the monthly average balance.

Interest Rates Can be found at <http://www.federalreserve.gov/datadownload/Build.aspx?rel=H15>, and then by selecting Interest Rates, Prime, NA, and Monthly in the drop down boxes. This will provide a link to the a schedule showing the interest rates used on this sheet.

Docket No. G-011/GR-13-617
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July 23, 2015
Attachment 1

Minnesota Energy Resources Corporation
Docket No. G011/GR-13-617 - Compliance Filing
Interim Refund Summary

Description	Total Refund	Refund Principal	Refund Interest
NNG SALES			
GS-NNG Residential Sales	\$2,487,636.10	\$2,426,351.17	\$61,284.93
GS-NNG SC&I Sales	\$113,135.28	\$110,348.10	\$2,787.18
GS-NNG LC&I Sales	\$900,450.24	\$878,266.92	\$22,183.32
SVI-NNG Sales	\$120,345.89	\$117,381.07	\$2,964.82
LVI-NNG Sales	\$7,530.55	\$7,345.03	\$185.52
SVJ-NNG Sales	\$1,272.80	\$1,241.44	\$31.36
CONSOLIDATED SALES			
GS-CONSOLIDATED Residential Sales	\$438,476.19	\$427,673.97	\$10,802.22
GS-CONSOLIDATED SC&I Sales	\$36,098.15	\$35,208.84	\$889.31
GS-CONSOLIDATED LC&I Sales	\$271,917.68	\$265,218.77	\$6,698.91
SVI-CONSOLIDATED Sales	\$28,426.92	\$27,726.60	\$700.32
LVI-CONSOLIDATED Sales	\$457.42	\$446.15	\$11.27
SVJ-CONSOLIDATED Sales	\$2,176.62	\$2,123.00	\$53.62
NNG TRANSPORT			
SVI-NNG Transport	\$11,450.23	\$11,168.14	\$282.09
LVI-NNG Transport - CIP Applicable	\$6,438.86	\$6,280.23	\$158.63
LVI-NNG Transport - CIP Exempt	\$169.40	\$165.23	\$4.17
SVJ-NNG Transport	\$24,496.99	\$23,893.49	\$603.50
LVJ-NNG Transport	\$5,769.59	\$5,627.45	\$142.14
SLVI-NNG Transport-CIP Exempt	\$1,341.58	\$1,310.66	\$30.92
SLVI-NNG Transport-CIP Applicable	\$1,182.22	\$1,154.97	\$27.25
SLVJ-NNG Transport-CIP Exempt	\$787.17	\$769.03	\$18.14
Transport for Resale	\$172.71	\$168.46	\$4.25
LVJ-NNG Flex Transport (Cust "A")	\$971.78	\$949.38	\$22.40
LVI-NNG Flex Transport (Cust "B")	\$138.50	\$135.31	\$3.19
LVI-NNG Flex Transport (Cust "C")	\$0.00	\$0.00	\$0.00
LVI-NNG Flex Transport (Cust "D")	\$138.50	\$135.31	\$3.19
LVJ-NNG Flex Transport (Cust "E")	\$966.04	\$943.78	\$22.26
LVJ-NNG Flex Transport (Cust "F")	\$1,796.34	\$1,754.94	\$41.40
LVI-NNG Flex Transport (Cust "G")	\$138.13	\$134.95	\$3.18
CONSOLIDATED TRANSPORT			
SVI-CONSOLIDATED Transport	\$15,280.45	\$14,904.00	\$376.45
LVI-CONSOLIDATED Transport	\$2,748.18	\$2,680.48	\$67.70
SVJ-CONSOLIDATED Transport	\$8,290.42	\$8,086.18	\$204.24
LVJ-CONSOLIDATED Transport	\$5,087.64	\$4,962.30	\$125.34
SLVI-CONSOLIDATED Transport-CIP Exempt	\$1,665.17	\$1,626.79	\$38.38
SLVI-CONSOLIDATED Transport-CIP Applicable	\$0.00	\$0.00	\$0.00
Total - MERC	<u>\$4,496,953.74</u>	<u>\$4,386,182.13</u>	<u>\$110,771.61</u>

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

Kristin M. Stastny hereby certifies that on the 23rd day of July, 2015, on behalf of Minnesota Energy Resources Corporation (MERC) she electronically filed a true and correct copy of the attached Compliance Filing 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.

/s/ Kristin M. Stastny
Kristin M. Stastny

Subscribed and sworn to before me
This 23rd Day of July, 2015.

/s/ Alice Jaworski
Notary Public, State of Minnesota
My Commission Expires: January 31, 2020

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