



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

July 10, 2020

VIA ELECTRONIC FILING

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: **Reply Comments of Minnesota Energy Resources Corporation**

In the Matter Minnesota Energy Resources Corporation's Petition for Approval of 2019 Revenue Decoupling Mechanism Adjustment and 2019 Revenue Decoupling Evaluation Report
Docket No. G011/M-20-332

Dear Mr. Seuffert:

On June 26, 2020, the Department of Commerce, Division of Energy Resources (the "Department") filed Comments in the above-referenced docket recommending that the Minnesota Public Utilities Commission (the "Commission"):

- Approve Minnesota Energy Resources Corporation's ("MERC's") 2019 revenue decoupling adjustments;
- Accept MERC's 2019 revenue decoupling evaluation report; and
- Approve MERC's Small Commercial and Industrial ("SC&I") customer class reconciliation proposal, with the exception of the associated deferred accounting request.

With respect to MERC's proposal of deferred accounting treatment of the residual Revenue Decoupling Mechanism ("RDM") over- or under- recovery amounts for the SC&I customer class, the Department recommends that at the conclusion of MERC's application of the RDM adjustment for the SC&I class on February 28, 2022 (the 2018 Reconciliation Adjustment), MERC no longer track and defer any remaining over- or under- recovery amounts for the SC&I customer class.

MERC thanks the Department for its thorough review and supports the Department's recommendations as set forth in its June 26, 2020 Comments.

While MERC had proposed to defer any residual over- or under- recovered amounts related to termination of the SC&I RDM, MERC agrees with the Department that any residual amounts are likely to be small and comprise a small subset of ratepayer costs and benefits of MERC's RDM. Given this, MERC does not object to the Department's recommendation that, at the conclusion of MERC's application of the RDM adjustment for the SC&I class on

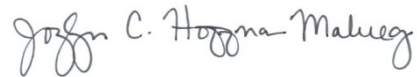
Mr. Will Seuffert
July 10, 2020
Page 2

February 28, 2022 (the 2018 Reconciliation Adjustment), MERC no longer track and defer any remaining over- or under- recovery amounts for the SC&I customer class.

Finally, as noted in the Department's Comments, MERC participated in the Department-led stakeholder group regarding a streamlined revenue decoupling evaluation report, which was required by Order Point 4 of the Commission's December 5, 2019 Order Docket No. G011/M-19-201. On July 1, 2020, the Department filed Comments regarding the proposed streamlined revenue decoupling evaluation report in that docket. As required by the Commission in Order Point 5 of its December 5, 2019 Order in Docket No. G011/M-19-201, MERC will submit a compliance filing on or before July 31, 2020 detailing the proposed changes to the annual evaluation report and responding to the Department's July 1, 2020 Comments.

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 yours,

A handwritten signature in cursive script that reads "Joylyn C. Hoffman Malueg".

Joylyn Hoffman Malueg
Project Specialist 3
Minnesota Energy Resources Corporation

cc: Service List

CERTIFICATE OF SERVICE

I, Colleen T. Sipiorski, hereby certify that on the 10th day of July, 2020, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed Reply Comments of Minnesota Energy Resources Corporation 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 10th day of July, 2020.

/s/ Colleen T. Sipiorski

Colleen T. Sipiorski

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Ahern	ahern.michael@dorsey.com	Dorsey & Whitney, LLP	50 S 6th St Ste 1500 Minneapolis, MN 554021498	Electronic Service	No	OFF_SL_20-332_M-20-332
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_20-332_M-20-332
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_20-332_M-20-332
Daryll	Fuentes	dfuentes@usg.com	USG Corporation	550 W Adams St Chicago, IL 60661	Electronic Service	No	OFF_SL_20-332_M-20-332
Joylyn C	Hoffman Malueg	Joylyn.hoffmanmalueg@wecenergygroup.com	Minnesota Energy Resources	2685 145th St W Rosemount, MN 55068	Electronic Service	No	OFF_SL_20-332_M-20-332
Brian	Meloy	brian.meloy@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-332_M-20-332
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-332_M-20-332
Catherine	Phillips	Catherine.Phillips@wecenergygroup.com	Minnesota Energy Resources	231 West Michigan St Milwaukee, WI 53203	Electronic Service	No	OFF_SL_20-332_M-20-332
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_20-332_M-20-332
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-332_M-20-332

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-332_M-20-332
Colleen	Sipiorski	Colleen.Sipiorski@wecenergygroup.com	Minnesota Energy Resources Corporation	700 North Adams St Green Bay, WI 54307	Electronic Service	No	OFF_SL_20-332_M-20-332
Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 South 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-332_M-20-332
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_20-332_M-20-332
Mary	Wolter	mary.wolter@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)	231 West Michigan St Milwaukee, WI 53203	Electronic Service	No	OFF_SL_20-332_M-20-332