



Minnesota Energy Resources Corporation
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January 7, 2021

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

VIA ELECTRONIC FILING

**Re: Clarification Regarding Timelines for Proposed Streamlined Annual Evaluation Report
In the Matter of Minnesota Energy Resources Corporation's 2018 and 2019 Annual Decoupling Evaluation Reports and Decoupling Mechanism Adjustment Calculations**

Docket Nos. G011/M-19-201 and G011/M-20-332

Dear Mr. Seuffert:

On December 5, 2019, the Minnesota Public Utilities Commission (the "Commission") issued an Order in Docket No. G011/M-19-201, accepting Minnesota Energy Resources Corporation's ("MERC's" or the "Company's") 2018 decoupling evaluation and approving MERC's revenue decoupling rate adjustment factors. Order Point 4 of the Commission's Order required MERC to work with the Department of Commerce, Division of Energy Resources (the "Department") and other stakeholders, and to request the involvement of other utilities, on the development of a more streamlined Annual Decoupling Evaluation Report. Order Point 5 of the Commission's Order required MERC to make a compliance filing detailing proposed changes to the Annual Decoupling Evaluation Report by July 31, 2020.

On July 1, 2020, the Department submitted a letter in Docket No. G011/M-20-332, MERC's 2019 Revenue Decoupling Mechanism Adjustment Calculation and 2019 Annual Decoupling Evaluation Report docket, that detailed the collaboration efforts of the Department, stakeholders, and various utilities in creating a proposal of a streamlined Annual Decoupling Evaluation Report, in addition to submitting the proposal itself. In accordance with Order Point 4 of the Commission's December 5, 2019, Order, and as discussed in the Department's July 1, 2020 letter, MERC participated in these collaborative efforts.¹

¹ MERC notes that the Department's letter filed in Docket No. G011,M-20-332 on July 1, 2020, at page 5, erroneously omitted MERC from the list of utilities that participated in the June 2, 2020 stakeholder group discussion. MERC clarifies that a Company representative was in attendance and participated at that June 2, 2020 meeting.

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On July 31, 2020, MERC submitted its Compliance Filing in accordance with the Commission's Order stating that the Company was in agreement with the Department's proposed streamlined Annual Decoupling Evaluation Report filed in Docket No. G011/M-20-332 for implementation starting June 1, 2021. MERC also explained that with the proposed filing date of June 1, 2021 for the streamlined 2020 Annual Decoupling Evaluation Report and RDM adjustment calculation, there would be a three month "bridge period" between the conclusion of MERC's 2019 RDM factors, which end on February 28, 2021, and the start of 2020 RDM factors, which would be effective with the filing date of June 1, 2021. In order to address this one-time bridge period, the Company proposed that the Commission allow MERC to extend the currently authorized 2019 RDM factors for an additional three months, through May 31, 2021.

MERC was recently made aware that a Commission decision on the proposed streamlined Annual Decoupling Evaluation Report in Docket No. G011/M-20-332 may not occur until March or April of 2021, at the earliest.

Absent an Order approving extension of the current RDM rates prior to February 28, 2021, MERC is required to continue to adhere to its current tariffs and Commission Orders, and file its calculation of the 2020 RDM factors on March 1, 2021, which would be for the proposed 12-months March 1, 2021 through February 28, 2022. MERC therefore proposes to delay implementation of the three-month bridge period until 2022, upon Commission approval.

MERC will still file the streamlined Annual Decoupling Evaluation Report on June 1, 2021, summarizing the 2020 RDM factors and calculations filed on March 1, 2021, along with the remaining streamlined Evaluation Report information. MERC requests Commission approval to extend the 2020 RDM factors through the "bridge period" of March 1, 2022 through May 31, 2022, with a streamlined Annual Decoupling Evaluation Report and RDM factors to be filed June 1, 2022 for the period of June 1, 2022 through May 31, 2023.

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

**In the Matter of Minnesota Energy
Resources Corporation's 2018 and 2019
Annual Decoupling Evaluation Reports
and Decoupling Mechanism Adjustment
Calculations**

Docket Nos. G011/M-19-201
and G011/M-20-332

CERTIFICATE OF SERVICE

I, Colleen T. Sipiorski, hereby certify that on the 7th of January, 2021, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed a true and correct copy of the enclosed Explanatory 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 7th day of January, 2021

/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
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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_20-332_M-20-332
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