

MICHAEL J. AHERN
Partner
(612) 340-2881
FAX (612) 340-2643
ahern.michael@dorsey.com

April 30, 2014

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation for
Approval of its proposed Winter Construction Charges

Docket No. G-011/M-14-____

Dear Dr. Haar:

Enclosed please find the petition of Minnesota Energy Resources Corporation (“MERC”) for approval of its proposed Winter Construction Charges. Redlined and clean tariff sheets are included for review. In addition to the tariff sheets, MERC includes the 2014 Winter Construction Charges contract pricing sheet as well as a letter from contractor NPL providing the 2014 Winter Construction Charges.

MERC has served a copy of this petition on the Office of the Attorney General – Residential Utilities Division. A summary of the filing has been served on all parties on the Company’s general service list.

Please contact me at 612-340-2881 if you have any questions regarding the information in this filing. Thank you for your attention to this matter.

Sincerely yours,

/s/ Michael J. Ahern

Michael J. Ahern

cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
David C. Boyd
Nancy Lange
Dan Lipschultz
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Petition of Minnesota
Energy Resources Corporation For Approval
of Winter Construction Charges

Docket No. G-011/M-14-__

PETITION

SUMMARY OF FILING

Pursuant to Minnesota Rules 7829.1300, Minnesota Energy Resources Corporation (“MERC”) submits to the Minnesota Public Utilities Commission a petition for approval of updated tariffs that incorporate adjustments to charges for winter construction. Winter Construction Charges are designed to recover costs in excess of normal summer construction costs imposed on customers who choose to have natural gas service installed during winter construction conditions, pursuant to MERC’s approved tariff.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Petition of Minnesota
Energy Resources Corporation For Approval
of Winter Construction Charges

Docket No. G-011/M-14-__

PETITION

INTRODUCTION

Pursuant to Minn. R. 7829.1300, Minnesota Energy Resources Corporation (“MERC”) submits to the Minnesota Public Utilities Commission (“Commission”) this Petition for approval of updated tariffs to incorporate annual adjustments to Winter Construction Charges. With this Petition, MERC respectfully requests that the Commission approve its proposed adjusted Winter Construction Charges.

I. Summary of Filing

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary of the filing is attached.

II. Service

Pursuant to Minn. R. 7829.1300, subp. 2, MERC has served a copy of this Petition on the Office of the Attorney General – Residential Utilities Division. The summary of the filing has been served on all parties on the Company’s general service list.

III. General Filing Information

A. Name, Address, and Telephone Number of the Utility

Minnesota Energy Resources Corporation
2665 145th Street West
Box 455
Rosemount, MN 55068-0455
(651) 322-8901

B. Name, Address, and Telephone Number of Attorney for the Utility

Michael J. Ahern
Dorsey & Whitney LLP
50 S. Sixth Street, Suite 1500
Minneapolis, MN 55402-1498
(612) 340-2881

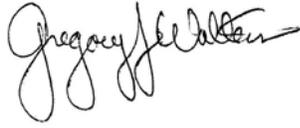
C. Date of the Filing and Date Proposed Agreement Will Take Effect

The date of the filing is April 30, 2014. MERC respectfully requests that the Commission approve the adjusted Winter Construction charges within 60 days of the filing.

D. Statute Controlling Schedule for Processing the Filing

No statute controls the schedule for processing this filing. Under Minn. R. 7829.0100, subp. 11, the requested variances fall within the definition of a “Miscellaneous Tariff Filing,” because no determination of MERC’s general revenue requirement is necessary. Under Minn. R. 7829.1400, initial comments on a miscellaneous filing are due within 30 days of filing, with reply comments due 10 days thereafter.

E. Signature and Title of Utility Employee Responsible for the Filing



Gregory J. Walters
Regulatory and Legislative Affairs Manager
Minnesota Energy Resources Corporation
3460 Technology Drive NW
Rochester, MN 55901
(507) 529-5100

IV. Description and Purpose of Filing

This filing incorporates adjustments to the Winter Construction Charges in MERC's tariff. Per the tariff, Winter Construction Charges are applicable between December 1 and April 1 inclusive, when winter conditions of twelve inches or more of frost exist, snow removal or plowing is required to install service, or burners must be set at the main or underground facilities in order to install service for the entire length of underground service or gas main installed. The winter construction charge shall be equal to costs in excess of normal summer construction costs. Winter construction will not be undertaken where prohibited by law or where it is not practical to install gas main or gas service pipe during the winter season.

The adjustments to the Winter Construction Charges would allow MERC to recover the costs in excess of normal summer construction costs imposed on customers who choose to have natural gas service installed during winter construction conditions, pursuant to MERC's approved tariff. The additional revenue from these adjusted charges would be used to offset the winter construction costs; there would be no net change to MERC's earnings.

CONCLUSION

MERC respectfully requests the Commission approve this petition requesting approval of its updated tariff provisions reflecting adjustments to charges for winter construction.

DATED: April 30, 2014

Respectfully Submitted,

DORSEY & WHITNEY LLP

By /s/ Michael J. Ahern
Michael J. Ahern
Suite 1500, 50 South Sixth Street
Minneapolis, MN 55402-1498
Telephone: (612) 340-2600

Attorney for Minnesota Energy
Resources Corporation

Clean Tariff

EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)D. Winter Construction Charge

When the service or main is installed between December 1 and April 1, inclusive, because of failure of customer to meet all requirements of the Company by November 31 or because the customer's property, or the streets leading thereto, are not ready to receive the service pipe or gas main by such date, the anticipated winter construction charges will be included in determining the feasibility and any necessary contribution in aid of construction. Such work will be subject to a base winter construction charge on all ditch footages, as an adder, and applies to any plowing, trenching, boring, or bell holes.

In addition to the base winter construction charge, a frost charge will be assessed by the Company for those portions of main or service lines where twelve or more inches of frost exists. The frost charge is not included on boring lengths but can apply to open trench and send or receive holes for bores. When twelve inches or more of frost exists outside the Winter Construction period, the frost charge may be applied as an expense due to abnormal conditions pursuant to Sheet No. 9.04 or Sheet No. 9.05. Included within the base winter construction charge and the frost charge are the use of any thawing devices or other equipment required to install as needed.

The winter construction charge shall be equal to costs in excess of normal summer construction costs. Winter construction will not be undertaken by the Company where prohibited by law or where it is not practical to install gas main or gas service pipe during the winter season. The Company may reduce winter construction charges only to the extent the Company incurs a corresponding reduction in costs to install facilities during the winter construction period. The same charge reductions will be offered to all similarly situated customers. The Company may not assess customers more than the tariffed winter construction charge(s). Current winter construction charges are as follows:

- Winter Construction Charge: \$5.50 (7 County Metro), \$4.96 (out-state) per lineal foot;
- Frost Charge: \$6.05 (7 County Metro), \$5.77 (out-state) per lineal foot.

Bell Holes: When it is necessary to use thawing devices in order to excavate the bell hole, or locate other utility crossings, there will be a per burner charge of \$279.90.

E. Extension of Mains - Limitations

The Company reserves the right to refuse to install its facilities in or to any lot, tract or area if in the Company's judgment it is not economically feasible per the tariffed feasibility models, is not safe for the Company's personnel, the customer, or the general public, or the lot, tract, or area is located remotely from the Company's other general service areas such that effective service, operations, or emergency response capabilities are impacted.

Redline Tariff

EXTENSION OF NATURAL GAS SERVICE

2. EXTENSIONS OF COMPANY MAINS AND SERVICES (Continued)D. Winter Construction Charge

When the service or main is installed between December 1 and April 1, inclusive, because of failure of customer to meet all requirements of the Company by November 31 or because the customer's property, or the streets leading thereto, are not ready to receive the service pipe or gas main by such date, the anticipated winter construction charges will be included in determining the feasibility and any necessary contribution in aid of construction. Such work will be subject to a base winter construction charge on all ditch footages, as an adder, and applies to any plowing, trenching, boring, or bell holes.

In addition to the base winter construction charge, a frost charge will be assessed by the Company for those portions of main or service lines where twelve or more inches of frost exists. The frost charge is not included on boring lengths but can apply to open trench and send or receive holes for bores. When twelve inches or more of frost exists outside the Winter Construction period, the frost charge may be applied as an expense due to abnormal conditions pursuant to Sheet No. 9.04 or Sheet No. 9.05. Included within the base winter construction charge and the frost charge are the use of any thawing devices or other equipment required to install as needed.

The winter construction charge shall be equal to costs in excess of normal summer construction costs. Winter construction will not be undertaken by the Company where prohibited by law or where it is not practical to install gas main or gas service pipe during the winter season. The Company may reduce winter construction charges only to the extent the Company incurs a corresponding reduction in costs to install facilities during the winter construction period. The same charge reductions will be offered to all similarly situated customers. The Company may not assess customers more than the tariffed winter construction charge(s). Current winter construction charges are as follows:

- Winter Construction Charge: \$~~5.5039~~ (7 County Metro), \$~~4.9686~~ (out-state) per lineal foot;
- Frost Charge: \$~~6.05593~~ (7 County Metro), \$~~5.7766~~ (out-state) per lineal foot.

Bell Holes: When it is necessary to use thawing devices in order to excavate the bell hole, or locate other utility crossings, there will be a per burner charge of \$~~279.90274.41~~.

E. Extension of Mains - Limitations

The Company reserves the right to refuse to install its facilities in or to any lot, tract or area if in the Company's judgment it is not economically feasible per the tariffed feasibility models, is not safe for the Company's personnel, the customer, or the general public, or the lot, tract, or area is located remotely from the Company's other general service areas such that effective service, operations, or emergency response capabilities are impacted.

Issued By: Jim Schott
Vice President, Regulatory Services
Submittal Date: ~~April 30, 2014~~ ~~August 14, 2013~~

*Effective Date: ~~June 30, 2014~~ ~~October 14, 2013~~
Proposed Effective Date: ~~June 30, 2014~~ ~~October 14, 2013~~

*Effective with bills issued on and after this date.

2014 Winter Construction Charges Pricing Sheet

2014 Winter Construction Charges

Winter Construction Charges

Winter Construction payments (WC103) are to be made on all ditch footages, as an adder, between December 1st and April 1st. This pay item applies to any plowing, trenching, boring, or bell holes. Frost charges for bell holes will be paid per the perimeter footage of the bell hole (one bell hole per service).

The Frost Charge payment (WC104) is added to the winter construction charge for those portions of main or service installations in which the frost is greater than 12 inches deep. The payment is in addition to the Winter Construction payment. This payment is **not** included on boring lengths, as is WC103, but can apply to open trench and send or receive holes for bores. This item may also be used alone when WC103 does not apply, outside of the Winter Construction dates.

Included within these pay items are the use of any equipment required to install as needed.

WC103 Winter Construction Charge \$ _____ PLF
 WC104 Frost Charge, can be added to the winter construction charge above, where the frost is greater than 1foot in depth \$ _____ PLF

2013 Pricing

Winter Construction Charges		UOM	North	Central	SouthEast	SouthWest
WC103	Minnesota Winter Construction Charge	PLF	\$4.96	\$5.50	\$4.96	\$4.96
WC104	Frost Charge if 12" or Greater	PLF	\$5.77	\$6.05	\$5.77	\$5.77

- Frost Burners, MERC agreed NPL will receive payment for each burner set.

TM260	Frost Hog	EA	\$279.90	\$279.90	\$279.90	\$279.90
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- These prices include the 2% price increase for 2014; 2015 – 2017 there are no scheduled price increases.

Letter from NPL



April 29, 2014

Dave Perron
MERC
2665 145th Street West
Rosemount, MN. 55068

RE: Contract Pricing

Dear Mr. Perron,

NPL is submitting an agreement of understanding in regards to 2014-2015 winter construction charges.

- Winter Construction Charge: \$5.50 (7 County Metro), 4.96 (out-state) per lineal foot;
- Frost Charge: \$6.05 (7 County Metro), \$5.77 (out-state) per lineal foot.
- Frost Hog: \$279.90@

NPL will use and bill the amount of frost hogs required dependent upon the amount of utilities that need to be crossed for each installation.

Please contact me with any questions you may have.

Yours truly,

Steve Dockendorf

A handwritten signature in black ink, appearing to read 'Steve Dockendorf', is written over a light blue horizontal line.

Regional Manager

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

Kristin M. Stastny hereby certifies that on the 30th day of April, 2014, on behalf of Minnesota Energy Resources Corporation (MERC) she electronically filed a true and correct copy of MERC's Service Quality Report 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 30th Day of April, 2014.

/s/ Alice Jaworski
Notary Public, State of Minnesota

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	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	Suite 4800 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Daryll	Fuentes	N/A	USG	550 W. Adams Street Chicago, IL 60661	Paper Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Richard	Haubensak	RICHARD.HAUBENSAK@CONSTELLATION.COM	Constellation New Energy Gas	Suite 200 12120 Port Grace Boulevard La Vista, NE 68128	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Amber	Lee	alee@briggs.com	Briggs and Morgan	2200 IDS Center 80 South 8th Street Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service 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	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Brian	Meloy	brian.meloy@stinsonleonard.com	Stinson, Leonard, Street LLP	150 S 5th St Ste 2300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List
Gregory	Walters	gjwalters@minnesotaenergyresources.com	Minnesota Energy Resources Corporation	3460 Technology Dr. NW Rochester, MN 55901	Electronic Service	No	GEN_SL_Minnesota Energy Resources Corporation_General Service List