

November 10, 2022

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G011/GR-22-504

Dear Mr. Seuffert:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota.

Nicholas J. Krzeminski, Vice President with Minnesota Energy Resources Corporation filed the Petition on November 1, 2022.

The Department recommends the Minnesota Public Utilities Commission (Commission):

- accept Minnesota Energy Resources Corporation's petition as substantially complete; and
- refer this matter to the Office of Administrative Hearings for a contested case proceeding.

The Department is available to answer questions the Commission may have.

Sincerely,

/s/ MARK A. JOHNSON
Financial Analyst Coordinator

MAJ/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G011/GR-22-504

I. OVERVIEW

On November 3, 2022, the Minnesota Public Utilities Commission (Commission) issued a *Notice of Comment Period on Completeness and Procedures* (Notice) in the general rate case petition (Petition) filed on November 1, 2022 by Minnesota Energy Resources Corporation (MERC or the Company). Topics open for comment are whether MERC's application complies with the filing requirements of Minnesota Statutes § 216B.16, Minnesota Rules 7825.3100 to 7825.4400, and relevant Commission Orders. The Notice also indicates comments are appropriate on whether this matter should be sent to the Office of Administrative Hearings for a contested case hearing and if so, the scope of the hearing. The Minnesota Department of Commerce, Division of Energy Resources (Department or DOC) submits the following Comments, pursuant to the Commission's November 3, 2022 Notice.

II. DEPARTMENT ANALYSIS

The Department conducted a review of the contents of MERC's Petition to verify the Company's compliance with:

- statutory requirements (Minnesota Statutes § 216B.16);
- the Commission's rules governing filing requirements for rate changes (Minnesota Rules 7825.3100 to 7825.4400);
- the Commission's general rate case Policy Statements dated June 14, 1982;
- Commission Orders pursuant to MERC's most recent general rate cases (Docket Nos. G007,011/GR-08-835, G007,011/GR-10-977, G011/GR-13-617, G011/GR-15-736), G011/GR-17-563; and
- Commission Orders in various dockets that may affect this rate proceeding.

Similar to MERC's last general rate case, in Volume 1 of the Petition, MERC prepared a *Filing Requirement Compliance Table* listing rate case filing requirements that apply to the Company. The table describes the filing requirement and generally identifies the location in the Petition where each compliance item is addressed. The Department notes the Company chose calendar year 2021 for the most recent fiscal year, calendar year 2022 for the projected year, and calendar year 2023 for the proposed test year.

The Department emphasizes its review at this stage of the proceeding relates to whether the Company's Petition provided at least some information on the issues, rather than the merits of the information provided in the Petition. As such, issues can be and will be further developed in information requests.

Based on its review, the Department concludes MERC's filing substantially fulfills the filing requirements. Accordingly, the Department recommends the Commission accept MERC's Petition as complete.

Additionally, the Department recommends the Commission accept the Petition and refer this matter to the Office of Administrative Hearings for a contested case proceeding. The scope of the contested case proceeding should include, but not be limited to, the following issues:

- 1) Is MERC's proposed test-year revenue increase reasonable?
- 2) Has MERC appropriately ensured that costs proposed to be paid by ratepayers pertain only to regulated utility costs?
- 3) Are MERC's proposed capital structure, cost of capital, and return on equity reasonable?
- 4) Is MERC's proposed rate design reasonable?

III. DEPARTMENT RECOMMENDATIONS

The Department recommends the Commission:

- accept MERC's Petition as complete; and
- refer this matter to the Office of Administrative Hearings for a contested case proceeding.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. G011/GR-22-504

Dated this **10th** day of **November 2022**

/s/Sharon Ferguson

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_22-504_GR-22-504
Michael J	Auger	Michael.auger@ever-greenenergy.com	Ever-Green Energy	305 Saint Peter St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_22-504_GR-22-504
Jessica L	Bayles	Jessica.Bayles@stoel.com	Stoel Rives LLP	1150 18th St NW Ste 325 Washington, DC 20036	Electronic Service	No	OFF_SL_22-504_GR-22-504
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Cody	Black	cblack@peoplesenergy.coop	People's Energy Cooperative	1775 Lake Shady Ave S Oronoco, MN 55960	Electronic Service	No	OFF_SL_22-504_GR-22-504
Elizabeth	Brama	ebrama@taftlaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 South 8th Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Kathleen M.	Brennan	kmb@mcgrannshea.com	McGrann Shea Carnival, Straughn & Lamb, Chartered	800 Nicollet Mall Ste 2600 Minneapolis, MN 554027035	Electronic Service	No	OFF_SL_22-504_GR-22-504
James	Canaday	james.canaday@ag.state.mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota St. St. Paul, MN 55101	Electronic Service	No	OFF_SL_22-504_GR-22-504
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_22-504_GR-22-504
Riley	Conlin	riley.conlin@stoel.com	Stoel Rives LLP	33 S. 6th Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Brooke	Cooper	bcooper@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_22-504_GR-22-504
Ian M.	Dobson	ian.m.dobson@xcelenergy.com	Xcel Energy	414 Nicollet Mall, 401-8 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_22-504_GR-22-504
Richard	Eichstadt	richard.eichstadt@poet.com	Poet Biorefining - Preston	701 Industrial Dr N PO Box 440 Preston, MN 55965	Electronic Service	No	OFF_SL_22-504_GR-22-504
Darcy	Fabrizius	Darcy.fabrizius@constellation.com	Constellation Energy	N21 W23340 Ridgeview Pkwy Waukesha, WI 53188	Paper Service	No	OFF_SL_22-504_GR-22-504
Catherine	Fair	catherine@energycents.org	Energy CENTS Coalition	823 E 7th St St Paul, MN 55106	Electronic Service	No	OFF_SL_22-504_GR-22-504
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_22-504_GR-22-504
Daryll	Fuentes	energy@usg.com	USG Corporation	550 W Adams St Chicago, IL 60661	Electronic Service	No	OFF_SL_22-504_GR-22-504
David P.	Geschwind	dp.geschwind@smmpa.org	Southern Minnesota Municipal Power Agency	500 First Avenue SW Rochester, MN 55902	Electronic Service	No	OFF_SL_22-504_GR-22-504
Ana	Gonzalez	Ana.Gonzalez@usc.salvationarmy.org	Heat Share - Salvation Army	2445 Prior Ave Roseville, MN 55113	Electronic Service	No	OFF_SL_22-504_GR-22-504
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_22-504_GR-22-504

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Michael	Krikava	mkrikava@taftlaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
David	Kyto	djkyto@integrysgroup.com	Integrys Business Support	700 North Adams PO Box 19001 Green Bay, WI 543079001	Electronic Service	No	OFF_SL_22-504_GR-22-504
Carmel	Laney	carmel.laney@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	No	OFF_SL_22-504_GR-22-504
Michael	Loeffler	mike.loeffler@nngco.com	Northern Natural Gas Co.	CORP HQ, 714 1111 So. 103rd Street Omaha, NE 681241000	Electronic Service	No	OFF_SL_22-504_GR-22-504
Brian	Meloy	brian.meloy@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	No	OFF_SL_22-504_GR-22-504

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_22-504_GR-22-504
Catherine	Phillips	Catherine.Phillips@wecenergygroup.com	Minnesota Energy Resources	231 West Michigan St Milwaukee, WI 53203	Electronic Service	No	OFF_SL_22-504_GR-22-504
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_22-504_GR-22-504
Jeff	Sande		Bemidji State University	Box 1 Deputy Hall 1500 Birchmont Drive Bemidji, MN 566012699	Paper Service	No	OFF_SL_22-504_GR-22-504
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_22-504_GR-22-504
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_22-504_GR-22-504
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_22-504_GR-22-504

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Colleen	Sipiorski	Colleen.Sipiorski@wecenergygroup.com	Minnesota Energy Resources Corporation	700 North Adams St Green Bay, WI 54307	Electronic Service	No	OFF_SL_22-504_GR-22-504
Ken	Smith	ken.smith@evergreenenergy.com	Ever Green Energy	305 Saint Peter St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_22-504_GR-22-504
Cari	Snaza	cari.snaza@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 55155	Electronic Service	No	OFF_SL_22-504_GR-22-504
Byron E.	Starns	byron.starns@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Richard	Stasik	richard.stasik@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)	231 West Michigan St - P321 Milwaukee, WI 53203	Electronic Service	No	OFF_SL_22-504_GR-22-504
Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 South 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-504_GR-22-504
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_22-504_GR-22-504
Casey	Whelan	cwhelan@kinectenergy.com	Kinect Energy Group	605 Highway 169 N Ste 1200 Plymouth, MN 55441	Electronic Service	No	OFF_SL_22-504_GR-22-504

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Samantha	Williams	swilliams@nrdc.org	Natural Resources Defense Council	20 N. Wacker Drive Ste 1600 Chicago, IL 60606	Electronic Service	No	OFF_SL_22-504_GR-22-504
James P.	Zakoura	Jim@smizak-law.com	Smithyman & Zakoura Chartered	750 Commerce Plaza II 7400 West 110th Street Overland Park, KS 662102362	Electronic Service	No	OFF_SL_22-504_GR-22-504