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April 16, 2015

Mr. Daniel P. Wolf Executive Secretary Minnesota Public Utilities Commission Metro Square – Suite 350 212 7th Place East St. Paul. MN 55101-2147

Re: Petition of Minnesota Energy Resources Corporation to Modify Its Main and Service Extension Model and Amend Its Extension Tariffs
Docket No. G011/M-15-165
Reply Comments

Dear Mr. Wolf:

On April 15, 2015, the Minnesota Department of Commerce, Division of Energy Resources (the Department) filed Comments on Minnesota Energy Resources Corporation's (MERC) Petition to Modify its Main and Service Extension Model and Amend its Extension Tariffs. MERC thanks the Department for its thorough review and comments and agrees with the Department's recommendations that the Commission approve MERC's proposal including:

- revised and updated Customer Extension Model and related assumptions to be used to determine whether customer contributions in aid of construction (CIAC) are required to support natural gas extension projects; and,
- 2. amended tariffs to remove the step-by-step input and assumption details used by MERC in conducting the Customer Extension Model, replacing it with a general description of the revised extension model.

In light of the Department's recommendations that the Commission approve MERC's petition as submitted, MERC respectfully requests that the Commission schedule this matter for decision as soon as possible so that the Company can implement the new Customer Extension Model this year.

Please contact me at 612-340-2881 if you have any questions regarding this matter.

Sincerely,

/s/ Michael J. Ahern

Michael J. Ahern

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

Kristin M. Stastny hereby certifies that on the 16th day of April, 2015, on behalf of Minnesota Energy Resources Corporation (MERC) she electronically filed a true and correct copy of the attached Reply Comments 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 16th Day of April, 2015.

/s/ Alice Jaworski
Notary Public, State of Minnesota

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