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August 3, 2016

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

**Re: In the Matter of the Petition for Approval of Minnesota Energy Resources (MERC) 2015 CIP Tracker Account, DSM Financial Incentive, and Conservation Cost Recovery Adjustment (CCRA)
Docket No. G011/M-16-385**

Reply to Department of Commerce Comments

Dear Mr. Wolf:

On July 26, 2016, the Department of Commerce, Division of Energy Resources submitted comments in the above-referenced docket recommending that the Minnesota Public Utilities Commission approve Minnesota Energy Resources Corporation's ("MERC's") Petition.

MERC thanks the Department for its thorough analysis and review. Based on the Comments submitted by the Department, MERC and the Department are in agreement and no open issues remain. MERC respectfully requests that the Commission approve its 2015 DSM financial incentive of \$3,392,001; approve MERC's 2015 CIP tracker activity; and approve a revised Conservation Cost Recovery Adjustment of \$0.00750 per therm to be effective January 1, 2017.

Please contact me at (651) 322-8965 if you have any questions.

Sincerely,

/s/ Amber S. Lee

Amber S. Lee
Regulatory and Legislative Affairs Manager
Minnesota Energy Resources Corporation

Enclosure
cc: Service List

In the Matter of the Petition for Approval of
Minnesota Energy Resources (MERC)
2015 CIP Tracker Account, DSM Financial
Incentive, and Conservation Cost
Recovery Adjustment

Docket No. G011/M-16-385

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 3rd day of August, 2016, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed a true and correct copy of the enclosed Filing 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 3rd day of August, 2016.

/s/ Kristin M. Stastny
Kristin M. Stastny

[illegible]

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