

December 2, 2016

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: **Response Letter of Minnesota Department of Commerce, Division of Energy
Resources to the Reply Comments of Dooley's Natural Gas II, LLC.**
Docket No. G6915/M-16-756

Dear Mr. Wolf:

In its November 15, 2016 Comments in the above-referenced docket, the Minnesota Department of Commerce, Division of Energy Resources (Department) recommended that the Minnesota Public Utilities Commission (Commission) approve Dooley's Natural Gas II, LLC's (DNG II) Petition subject to the Company providing assurances in its Reply Comments. Specifically, the Department recommended that the Commission approve the Petition, provided that DNG II provide the following assurances that:

- Annual Cold Weather Rule reports will be filed as required under Minn. Stat. § 216B.096, subd. 11;
- Annual tariff updates with municipally approved rates will be submitted to the Commission (Minn. Stat. § 216B.16, subd. 12(c));
- Any subsequent changes in rates, tariffs and contracts for service outside the Municipalities will be filed at least 30 days in advance of implementation (Minn. Stat. § 216B.16 subd. 12(b)); and
- Notification to the Commission will be made should DNG II's customer base expands beyond the 5,000-customer threshold.
- DNG and DNG II will provide annual Minnesota Natural Gas Utility Information Reporting to the Department (Required by Minn. Rules 7610.0800 – 7610.0860 to monitor reliability and costs of energy service in Minnesota).

Also, the Department requested that DNG II correct the current references to Section 28 in Section 25 of the tariff so that the language is consistent with the number included in the Section's heading. And finally, the Department indicated that the language pertaining to riders that do not exist should be removed from the Rate Book.¹

¹ See the Department's Nov. 15, 2016 Comments, Page 13.

In its November 28, 2016 Reply Comments, DNG and DNG II (the Ownership) committed to adhering to the reporting requirements listed above, and indicated its regret for failing to comply with past reporting obligations. The Department notes that the Ownership demonstrated its commitment to complying with Minn. Stat. § 216B.16 subd. 12(b) and (c) by filing the required information in Docket No. G6915/M-13-672.²

In response to the Department's request for DNG II to modify its Rate Book, the Company proposed to submit the revised Rate Book and any other changes that may be required by the Commission as a compliance filing within 15 days of the Commission's Order approving DNG II's Petition. The Department does not object to this approach.

In conclusion, based on the assurances provided by both DNG and DNG II,³ the Department confirms the preliminary recommendation provided in our November 15, 2016 Comments. That is, the Department recommends that the Commission approve DNG II's Petition for exemption from the requirements of Minn. Stat. § 216B.16, subd. 12 for service provided within the borders of Broton and Belgrade and for incidental service outside the borders of the Municipalities. The Department also recommends that, within 15 days of the Commission's Order in this matter, DNG II submit its revised Tariff Book reflecting corrected references to Section 25 and removal of language pertaining to riders that do not exist.

Sincerely,

/s/ BEN KAMARA
Financial Analyst

BK/lt

² See in the Matter of the Petition of Dooley's Natural Gas LLC for Exemption for Small Gas Utility, *Order Granting Small Gas Utility Franchise Exemption Under Minn. Stat. § 216B.16, subd. 12* (Jan. 14, 2014).

³ See Page 2 of DNG II's Reply Comments.

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
Response Letter**

Docket No. G6915/M-16-756

Dated this 2nd day of December 2016

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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	Yes	OFF_SL_16-756_M-16-756
Randy	Dooley	N/A	Dooley's Natural Gas LLC	PO Box 100 Murdock, MN 56271	Paper Service	No	OFF_SL_16-756_M-16-756
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_16-756_M-16-756
John	Lindell	john.lindell@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_16-756_M-16-756
Brian	Meloy	brian.meloy@stinson.com	Stinson,Leonard, Street LLP	150 S 5th St Ste 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-756_M-16-756
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_16-756_M-16-756