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**VIA ELECTRONIC FILING**

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

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TRADE SECRET DATA
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Re: Reply Comments of Minnesota Energy Resources Corporation Regarding Emergency Request to Suspend Collection of Gas Utility Infrastructure Cost Rider and Natural Gas Extension Project Rider Surcharges for Direct Connect Customers

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Gas Utility Infrastructure Cost (GUIC) Rider
Docket No. G011/M-18-281

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Natural gas Extension Project (NGEP) Cost Rider Surcharge for Recovery of 2019 Rochester Project Costs
Docket No. G011/M-18-182

Dear Mr. Wolf:

Minnesota Energy Resources Corporation ("MERC" or the "Company") submits these Reply Comments in response to the Minnesota Public Utilities Commission's (the "Commission's") July 2, 2019, Notice of Comment Period and the July 11, 2019, Comments submitted by the Minnesota Department of Commerce, Division of Energy Resources (the "Department"), the Office of the Attorney General, Residential Utilities and Antitrust Division (the "OAG") and the Super Large Gas Intervenors ("SLGI") in the above-referenced dockets. The Company continues to request that the Commission grant the emergency relief set forth in its June 28, 2019, filing, as appropriate and necessary to avoid the potential bypass of those customers facing the lowest cost of bypass and therefore, posing the most substantial and immediate risk for bypass.

On June 28, 2019, MERC filed a request for emergency approval to suspend the collection of the gas utility infrastructure cost ("GUIC") and natural gas extension project ("NGEP") rider surcharges from the Company's direct connect customers—a customer class defined within MERC's Commission-approved tariffs who, by the terms of the tariff, require "no

Company-owned underground distribution facilities" to serve them.[1] As stated in that filing, if action is not taken immediately, the direct connect customers will bypass MERC's system, resulting in a substantial and permanent loss of revenue and a resulting increase in costs for MERC's remaining customers. The validity of that risk of bypass was further confirmed by the July 1, 2019, letter submitted by Encore Energy Services ("Encore"), the agent and marketer for many of MERC's direct connect customers, as well as the July 11, 2019, Comments filed by SLGI, which included an analysis of the costs of customer bypass for direct connect customers. In light of those circumstances, MERC believes the driving question before the Commission is whether keeping the direct connect customers on MERC's system is a net benefit to ratepayers.

With respect to the NGEP and GUIC surcharge riders, MERC's non-direct connect customers would bear the additional costs regardless of whether the Commission approves or denies the requested emergency action. If the Commission denies MERC's request, MERC does believe the customers at issue are likely to bypass the Company's system. The result of such bypass would mean an under-recovery on both the GUIC and NGEP riders in 2019 which would be subsequently recovered from all remaining customers through the already-approved sales true-up mechanisms. Thus, whether the Commission approves or denies the requested suspensions, the impact to remaining customers is the same—the approximately $1.5 million that would have been recovered from the direct connect customers will be recovered from remaining customers.

The difference between approval and denial of the requested relief is whether non-direct connect customers will also have to incur the fixed system costs that currently are recovered through direct connect customers' base distribution rates. Given that the direct connect customers impose minimal incremental costs on the MERC system, the savings from those customers' election to bypass would be nominal while the costs would be substantial.

As discussed in these comments, the Commission does have the authority to grant the requested relief. Further, such relief is supported by the record in these proceedings, is consistent with the public interest, and most fully protects all ratepayers from the potential harm that would result if the direct connect customers bypass MERC.

The OAG and Department, in their respective Comments, recommend denial of MERC's request in full or in part; while SLGI recommends expansion to include all Class 5 transport customers within the suspension.

**The Commission Has Authority to Grant the Proposed Suspension and Refunds**

The OAG, the Department, and SLGI each raise questions regarding whether the Commission has authority to grant the relief requested by MERC in its June 28, 2019 filing.

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[1] MERC's 3rd Revised Tariff Sheet No. 6.50, Direct Connect Transportation Service, defines the availability, applicability, and character of direct connect service; and defines the rates, terms, and conditions of that service.

In particular, the OAG asserts MERC's proposal is contrary to law and standard regulatory practice and should be denied in full.[2] And while the Department agrees that suspension of the GUIC rider surcharge is permissible under applicable Commission authority,[3] the Department argues that "the NGEP Statute requires recovery of the revenue deficiency from all ratepayers, including the direct connect customers."[4] Further, the Department asserts that MERC's proposal to refund the amount of surcharges collected through the date of suspension would violate Minnesota law with regarding to both the GUIC and NGEP riders.[5] Finally, while SLGI supports the suspension and refund as proposed, they argue that "suspending the NGEP and GUIC riders for direct-connect customers only would violate Minn. Stat. §216B.03,"[6] and therefore, the suspension should apply to all Class 5 transport customers.

Contrary to the positions of the OAG, the Department, and SLGI, the Commission does have the authority to grant the relief requested in MERC's June 28, 2019 emergency request in full.

1. *The Commission has the Authority to Grant the Relief Requested*

Minn. Stat. §216B.25 grants the Commission the authority to rescind, alter, or amend any prior order fixing rates.[7] In accordance with that statutory authority, any order rescinding, altering, amending, or reopening a prior order shall have the same effect as the original order.[8] Contrary to the OAG's claim that the Company's emergency request is barred as an untimely request for reconsideration under Minn. Stat. §216B.27,[9] the Commission clearly has authority under Minnesota law to modify the previous order with respect to the NGEP and GUIC rider surcharges.

Further, MERC's proposed suspension and refund through the GUIC and NGEP tracker true-up are not prohibited as impermissible retroactive ratemaking.[10] As the Commission has recognized, "True-ups are common regulatory mechanisms for dealing with fluctuating

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[2] OAG Comments at 3.
[3] Department Comments at 2-3.
[4] Department Comments at 9.
[5] Department Comments at 10-11.
[6] SLGI Comments at 4.
[7] Minn. Stat. §216B.25 provides: The commission may at any time, on its own motion or upon motion of an interested party, and upon notice to the public utility and after opportunity to be heard, rescind, alter, or amend any order fixing rates, tolls, charges, or schedules, or any other order made by the commission, and may reopen any case following the issuance of an order therein, for the taking of further evidence or for any other reason. Any order rescinding, altering, amending, or reopening a prior order shall have the same effect as an original order.
[8] Minn. Stat. §216B.25
[9] OAG Comments at 4.
[10] Department Comments at 10-11; OAG Comments at 4.

costs, and they do not normally violate the prohibition against retroactive ratemaking."[11] Further, the Commission has taken action to allow refunds following suspension of utility rates in similar circumstances, such as with the suspension of Conservation Improvement Program ("CIP") charges for Large Volume and Super Large Volume customers with refunds retroactive to the date customers were determined to be exempted.[12]

The Commission has also approved the refund of amounts collected in commission-approved rates in other contexts, such as refunds related utility cost savings realized as a result of federal legislative tax changes.[13] In Docket No. E,G999/CI-17-895, the Commission relied on Minn. Stat. §216B.21 and Minn. Stat. §216B.23, subd. 1 and 1a to support its jurisdiction to authorize refunds of amounts that had been collected through Commission-approved rates going back to the implementation of the federal tax changes.[14]

The Commission has jurisdiction to approve the suspension and refund to direct connect customers as proposed, just as it has approved similar refunds in other proceedings. Further, as discussed in these Reply Comments, the record demonstrates that denial of the proposed relief would result in real and substantial harm to MERC's remaining customers, who would have to cover the fixed costs currently covered by those direct connect customers.

Finally, MERC's proposal to narrowly tailor the proposed suspension and refund to include *only* direct connect customers is permissible under applicable law. MERC's direct connect customers are separately defined within the Company's Commission-approved tariffs and constitute a unique class of customers. Such narrow tailoring addresses the substantial risk of bypass posed by those customers with no distribution infrastructure required to serve

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[11] *In the Matter of the Application of Interstate Power and Light Company for Authority to Increase Rates for Electric Service in Minnesota*, Docket No. E001/GR-10-276, FINDINGS OF FACT, CONCLUSIONS, AND ORDER at 20 (Aug. 12, 2011).

[12] *See* In the Matter of a Petition by Minnesota Energy Resources Corporation for Approval of its 2009 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment Factor, Docket Nos. G011/M-10-407 and G007/M-10-409, ORDER MAKING PROVISIONAL FINDING OF STATUTORY EXEMPTION, PERMITTING SUSPENSION OF COLLECTION OF RATE ADJUSTMENT FROM CERTAIN CUSTOMER CLASSES, AND REQUIRING OTHER FILINGS (Jan. 24, 2011) (authorizing refunds to LSP-Cottage Grove for all amounts collected under the CCRA since November 1, 2010); Order Ending Suspension, Exempting Eligible Customers from Rate Recovery of Conservation Costs, Setting Refund and Repayment Requirements, and Requiring Further Filings (May 9, 2013) (requiring refunds to customers for conservation charges paid from the date the customer was determined by the Commission to be exempt).

[13] *In the Matter of Commission Investigation into the Effects on Electric and Natural Gas Utility Rates and Services of the 2017 Federal Tax Act*, Docket No. E,G999/CI-17-895, ORDER RESPONDING TO CHANGES IN FEDERAL TAX LAW (Dec. 5, 2018); ORDER APPROVING COMPLIANCE FILINGS AND REQUIRING RATE REDUCTIONS AND REFUNDS (May 10, 2019).

[14] *In the Matter of Commission Investigation into the Effects on Electric and Natural Gas Utility Rates and Services of the 2017 Federal Tax Act*, Docket No. E,G999/CI-17-895, ORDER RESPONDING TO CHANGES IN FEDERAL TAX LAW at 2 (Dec. 5, 2018).

them, while also protecting MERC's other customers from having additional costs imposed upon them unnecessarily. As a result, MERC's proposal also best complies with the requirement of Minn. Stat. §216B.03 that any doubt as to reasonableness should be resolved in favor of the consumer. MERC's proposal best balances protecting *all* of the Company's customers from the costs of the NGEP and GUIC riders as well as the potential harm and resulting costs of customer bypass.

SLGI asserts that MERC's proposal to suspend the NGEP and GUIC riders for direct-connect customers only would violate Minn. Stat. §216B.03, which requires that 'rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of customers.'"[15] In particular, SLGI asserts that "MERC's Transportation Services Tariff distinguishes between firm and interruptible customers, and CIP-exempt and CIP-applicable customers, but it does not differential direct-connect customers."[16] As a result, SLGI asserts that approving suspension for the direct connect customers only would be discriminating among customers within the same class in violation of Minn. Stat. §216B.03. To avoid this issue, SLGI recommends that the Commission extend the suspension to all Class 5 Transport customers. Similarly, the Department requests that MERC clarify whether the direct connect customers are in multiple rate classes, and if so, whether they compose the entire rate class(es) to which they belong. The Department states that "[i]f MERC's direct connect customers are a subset of one or more rate classes, suspending the GUIC rider rate for only direct connect customers would result in intra-class inequities."[17]

Contrary to SLGI's assertion, MERC's Commission-approved tariffs do differentiate direct connect customers and establish a separate direct connect class of service. MERC's 3rd Revised Tariff Sheet No. 6.50, Direct Connect Transportation Service, defines the availability, applicability, and character of direct connect service; and defines the rates, terms, and conditions of that service. As a result, MERC's proposal to limit the suspension to only the direct connect customers is not contrary to Minn. Stat. §216B.03. Although each direct connect customer's distribution rate is determined based on the quantity and character of their natural gas usage (i.e., class 1, class 2, etc.), because the direct connect class is separately defined within MERC's tariff, and because that class has unique characteristics, application of the suspension to only that group of customers is reasonable, justified, and does not result in intra-class inequities. The class of direct connect customers is differently and uniquely situated and defined, separate from other transportation customers.

MERC does not believe that expanding the suspension to include all Class 5 transport customers is reasonable or necessary. MERC serves nine direct connect customers.[18]

[15] SLGI Comments at 4.
[16] SLGI Comments at 4.
[17] Department Comments at 7.
[18] For clarification, MERC provides service to fourteen services which serve nine direct connect customers. Some of these nine direct connect customers have more than one service.

Because the direct connect class is expressly defined in the Company's tariff, is uniquely situated relative to non-direct connect customers, and poses the most substantial risk of bypass as reflected in the record in these dockets, MERC continues to recommend suspension and refund only with respect to the direct connect customers. The non-direct connect customers are not characterized by the same commonality of having no MERC-owned distribution infrastructure required to serve them and exempting the entirety of that class from the NGEP and GUIC rider surcharges would result in an even more significant portion of those costs being reallocated to remaining customers.

2. *Exclusion of the Direct Connect Customers is Permissible Under the NGEP Statute*

With respect to the NGEP rider, the Department states that "it is clear that the NGEP Statute requires recovery of the revenue deficiency from all ratepayers, including the direct connect customers."[19] Similarly, the OAG asserts that "the NGEP statute clearly requires an NGEP rider surcharge include transportation customers. . . . Accordingly, suspending collecting of the NGEP rider surcharge from direct connect transportation customers would violate the clear language of the statute."[20]

While the Department and OAG correctly note that the NGEP Rider Statute, Minn. Stat. §216B.1638, subd. 2, allows a utility to petition the Commission for a rider that "*shall include all of the utility's customers, including transport customers*," subdivision 1(h) of the NGEP Statute defines "transport customer" to mean "a customer for whom a natural gas utility transports gas the customer has purchased from another natural gas supplier."[21] With respect to the direct connect customers at issue in MERC's proposal, as a practical matter, the Company does not transport gas those customers have purchased from another natural gas supplier. Unlike other transport customers, MERC does not own or operate any pipe or other underground distribution facilities with respect to serving the direct connect customers. Indeed, the nonexistence of any such distribution facilities is a condition of direct connect transportation service under MERC's Commission-approved tariffs.[22] Rather, as referenced in the July 1, 2019 filing made by Encore and the July 11, 2019, Comments filed by SLGI, the only facilities owned by MERC for serving the direct connect customers is an odorizer and associated odorization equipment.[23] Thus, the Commission could reasonably conclude those customer should be excluded from the surcharge under the language of the NGEP

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[19] Department Comments at 9.
[20] OAG Comments at 3.
[21] Minn. Stat. §216B.1638, subd. 1(h).
[22] MERC's 3rd Revised Tariff Sheet No. 6.50, Direct Connect Transportation Service, defines the availability, applicability, and character of direct connect service; and defines the rates, terms, and conditions of that service.
[23] *See* Encore Letter in Support of Emergency Request at Attachment, Page 2 (July 1, 2019). SLGI Comments at 2-3 and Exhibit A (July 11, 2019) ("Mr. Graeber calculated the total cost a direct-connect customer would incur to bypass MERC. Again, these costs are very minimal for direct-connect customers because the only physical asset that needs to be purchased is an odorizer and related equipment – the direct connect customer would not need to acquire any additional pipe, meters, valves, or other equipment.").

Statute. Additionally, the remainder of MERC's transportation customers would continue to be assessed the approved surcharge rate, despite approval to suspend the charge for the narrow class of uniquely situated direct connect customers.

The NGEP Statute also vests the Commission with broad discretion and authority with respect to the method of recovery, which may include a flat fee, a volumetric charge, or another form of recovery.[24] While MERC did include the direct connect customer sales volumes in its calculation of the approved NGEP rider surcharge, just as the Commission reasonably excluded MERC's Michigan sales from the NGEP rider surcharge, the Commission may, consistent with the language of the NGEP Statute, exclude the direct connect customers.

The Department notes that "it is unclear whether suspension of [the NGEP] rider is allowed and, if so, whether it would be equitable for all other ratepayers to be required to absorb the NGEP rider costs while a new rider recovery proposal is considered."[25] The NGEP statutory language grants the Commission with authority sufficient to authorize the suspension as proposed. Further, as discussed in greater detail below, MERC has not proposed to modify the non-direct connect customer NGEP rider surcharge rate with its filing. Rather, non-direct customers would continue to be assessed the approved rate of $0.00052 per therm. The resulting under-recovered revenue deficiency and an appropriate rate design could be fully analyzed with the 2019 true up to be submitted in 2021 to ensure equitable distribution of costs amongst MERC's non-direct customer classes.

**The Record Demonstrates the Requested Relief is in the Public Interest**

There is substantial evidence already in the record to support a finding that the suspension and refund as proposed by the Company are necessary to avoid bypass by the direct connect customers and to mitigate the resulting rate impact on MERC's non-direct connect customers. MERC provides additional information with these Reply Comments in further support of the fact that the direct connect customers pose a significant risk of bypass if the NGEP and GUIC rider surcharges are not suspended and to document the benefits of keeping those customers on MERC's system. Bypass by the direct connect customers would result in harm to MERC's remaining customers, who would have to cover the fixed costs currently covered by those direct connect customers. Because the likelihood of bypass if MERC's proposal is not approved is substantial, the driving question before the Commission is whether keeping the direct connect customers on MERC's system is a net benefit to ratepayers. Consistent with the Company's emergency request to suspend and refund the GUIC and NGEP rider surcharge for those customers, MERC believes retaining the direct connect customers does benefit all ratepayers and therefore, that the actions proposed are justified as consistent with the public interest.

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[24] *See* Minn. Stat. §216B.1638, subd. 2(b)(7).
[25] Department Comments at 9.

As discussed above, MERC's proposal is narrowly tailored to address the substantial risk of bypass posed by those customers with no distribution infrastructure required to serve them, while also protecting MERC's other customers from having additional costs imposed upon them. MERC's proposal best balances protecting *all* of the Company's customers from the costs of the NGEP and GUIC riders as well as the potential harm and resulting costs of customer bypass. The Company provides additional discussion and analysis with these Reply Comments regarding the potential harm that would occur if no action is taken and the direct connect customers bypass MERC's system.

1. *Imposition of the NGEP and GUIC Rider Surcharges on Direct Connect Customers Risks Bypass by Those Customers*

The risk of bypass posed by MERC's direct connect customers, and the potential harm to MERC's remaining customers if bypass occurs, has been well documented in numerous proceedings before the Commission.[26] Indeed, despite now arguing that MERC's assertion that the direct connect customers pose a significant bypass threat is unsubstantiated,[27] the OAG has previously recognized the risk of bypass associated with MERC's largest customers.[28] The OAG's assertion that "MERC is asking the Commission to implement a change in rates outside the normal regulatory process based on the argument that the Company knows that direct connect customers are a bypass threat simply because those customers say so"[29] is not accurate. The record in this proceeding, including the filings by Encore and SLGI, as well as facts established in prior MERC proceedings, demonstrate that

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[26] *See e.g.,* Docket No. G011/GR-17-563, Direct Testimony of Amber Lee (Oct. 13, 2017), Interim Rate Petition (Oct. 13, 2017), ORDER SETTING INTERIM RATES (Dec. 5, 2017) ("The customers at issue are very large customers with the ability to bypass the Company's system and secure alternative energy supplies. These customers are extremely price-sensitive, and any significant increase in energy costs, even a temporary one, could prompt them to bypass the system. Their departure—and the loss of their contribution to the system's fixed costs—would likely result in significant and permanent rate increases for all remaining customers. The Commission concurs with the Company that the potential loss of these customers constitutes exigent circumstances and justifies departing from the existing rate design. The Commission will thus approve the Company's proposal."); Direct Testimony of Bret Feller (June 1, 2018), Rebuttal Testimony of Amber Lee (June 1, 2018), Surrebuttal Testimony of Tim Meernik (June 22, 2018); G011/M-10-409 and G011/M-10-407 Emergency Petition to Stay Assessment of Conservation Cost Recovery Adjustment (Dec. 1, 2010), ORDER MAKING PROVISIONAL FINDING OF STATUTORY EXEMPTION, PERMITTING SUSPENSION OF COLLECTION OF RATE ADJUSTMENT FROM CERTAIN CUSTOMER CLASSES, AND REQUIRING FURTHER FILINGS (Jan. 24, 2011) (finding "a real and imminent risk of bypass by [MERC's Large Volume Interruptible Flex, Super Large Volume Interruptible, and Large Volume Joint Mainline customers]. That bypass would almost certainly harm the general body of ratepayers, which would have to cover the fixed costs currently covered by these customers.").

[27] OAG Comments at 4.

[28] *See* Docket No. G011/M-17-563, Surrebuttal Testimony of OAG witness Mr. Tim Meernik (June 22, 2018) ("After reading Rebuttal Testimony, both MERC and Encore make it clear that the Class 5 customers can quiet inexpensively leave the Company's system. I agree these customers provide benefits to the Company's non-class 5 customers.").

[29] OAG Comments at 4-5

the direct connect customers do pose a substantial bypass risk. Because MERC owns only an odorizer and associated odorization equipment to serve those customers, the level of investment and the cost associated with bypass is substantially lower than with respect to any other customer on MERC's system.

The evidence presented in these dockets, including the affidavit submitted as Exhibit A to SLGI's July 11, 2019, Comments, the July 1, 2019, filing and associated testimony submitted by Encore, and information submitted with these Reply Comments support the conclusion that suspension and refund of both the GUIC and NGEP rider surcharges for the direct connect customers is necessary to prevent those customers from bypassing MERC's system. In particular, the record in this docket reflects that the approximately cost for the direct connect customers to bypass MERC's system is $0.004 per therm[30] while the current distribution rate charged to these customers is $0.0048 or greater.[31] Thus, "MERC's current distribution rate [without either the GUIC or NGEP rider surcharge] is presently teetering on the threshold of justifying a bypass" for those customers.[32]

As the Department correctly notes,

> the effects of the currently-active GUIC rate on MERC's direct connect customers is material. . . . [T]he GUIC rate represents, for most of these direct connect customers, a substantial increase – approximately 86 percent – relative to MERC's non-gas margin of $0.0048 per therm. . . . The significance of this rate increase, especially in light of the price sensitivity of these customers, suggests rate shock and risks further rate increases for other customers if some or all of the direct connect customers choose to bypass MERC's system.[33]

Nevertheless, the Department questions whether suspension of the NGEP rider for direct connect customers is justified regarding effect.[34] The Department also requests that MERC provide an estimate of the costs needed for each customer to procure and maintain an odorizer and any other equipment necessary to bypass the Company's system.[35]

Direct connect customers are expressly defined in MERC's Commission-approved tariffs as (1) customers who are directly connected to the interstate pipeline with no Company-owned underground distribution facilities where (2) no non-Direct Connect customers are served off

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[30] SLGI Comments at 3, Exhibit A at ¶15; Attachment A to MERC Reply Comments.
[31] Depending on whether the customer is a Class 5 customer and whether they are CIP-applicable or CIP-exempt.
[32] SLGI Comments at 3.
[33] Department Comments at 3. The Department further notes that if it is true that the only MERC-owned facility used by the direct connect customers is an odorizer, it would support MERC's claim that bypass of the system is inexpensive and that the risk of bypass is real.
[34] Department Comments at 9.
[35] Department Comments at 3, 12.

of the same point of interconnection.[36] As noted in Encore's July 1, 2019 letter, the only MERC-owned facilities required to serve the direct connect customers is an odorizer. Attachment A to this filing, the Affidavit of Lindsay Lyle, MERC's Engineering Manager, sets forth specific details regarding the equipment MERC owns and operates at each direct connect customer site and a discussion of the costs that would be required for direct connect customers to bypass MERC's system. As reflected in Attachment A, MERC's estimate of the costs for each direct connect customer to bypass MERC's distribution system are in line with the cost estimates previously provided in Exhibit A to SLGI's July 11, 2019 filing. Based on those cost estimates, MERC's proposal to suspend and refund the GUIC and NGEP rider surcharges for direct connect customers is necessary in order to avoid bypass by those customers because the cost of bypass for the direct connect customers is less than the costs they will incur in paying the current distribution rate, customer charges, NGEP rider surcharge, and GUIC rider surcharge (i.e., the cost to remain on MERC's system).[37]

Each of MERC's nine direct connect customers receive their natural gas through a town border station ("TBS") where the interstate pipeline provides measurement and regulation. The outlet of the interstate-pipeline-owned TBS is where custody transfer to the customer occurs.[38] At each site, MERC owns and operates an odorizer along with a tank to store odorant.[39] Details regarding the specific facilities at each direct connect customer site are reflected in Attachment A.[40] This information is trade secret and not generally known to, or readily ascertainable by, vendors and competitors of MERC who could obtain economic value from its disclosure. MERC maintains this information as secret. Accordingly Attachment A contains data which qualifies as "Trade Secret Data" pursuant to Minnesota Statutes Section 13.37 Subdivision 1(b).

As outlined in SLGI's comments and supporting Exhibit A, "the only physical asset that needs to be purchased is an odorizer and related equipment – the direct connect customer would not need to acquire any additional pipe, meters, valves, or other equipment."[41] As reflected in Exhibit A to SLGI's filing, Mr. Graeber states that an odorizer for a large facility may be purchased for approximately $50,000; that a 1,000-gallon bulk tank and concrete pad could be installed for approximately $50,000; and thus, that the total installed cost of an odorizer and related equipment would be approximately $100,000 for each direct connect customer. Based on MERC's experience, MERC similarly estimated the costs to install an odorizer, bulk tank, skid, containment, and associated equipment for the direct connect customers to be approximately $50,000 to $200,000.[42]

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[36] 3rd Revised Tariff Sheet No. 6.50.
[37] Attachment A at ¶4.
[38] Attachment A at ¶7.
[39] Attachment A at ¶8.
[40] Attachment A at ¶ 8.
[41] SLGI Comments at 2-3 and Exhibit A.
[42] Attachment A at ¶10.

MERC's experience also supports the estimate of the cost of odorant given the quantity that would be needed for the direct connect customers as reflected in Exhibit A to SLGI's July 11, 2019, Comments.[43] MERC's experience in serving the direct connect customers also supports the overall cost estimate for direct connect customers to bypass MERC as provided in Exhibit A to SLGI's comments.[44] In particular, amortizing the capital costs over a three year period and including the recurring costs of odorant and related operations and maintenance ("O&M") expense, Mr. Graeber estimated that the total physical cost to bypass MERC would be approximately $0.002 per therm. Inclusive of system management service ("SMS") balancing service to mitigate balancing penalties, the combined cost for a direct connect customer to bypass MERC is approximately $0.004 per therm.

Given that the direct connect customer distribution rates are already at or above their cost to bypass MERC, even the $0.00052 per therm NGEP rider surcharge likely is sufficient to risk bypass with respect to this customer group. Similarly, the amounts already billed to the direct connect customers with respect to the GUIC rider surcharge for sales in May and June are in excess of $200,000. Given the cost-benefit for direct connect customers to bypass MERC's system, not approving MERC's proposal to refund the amounts already billed has the potential to result in bypass. Because this limited group of customers is already paying at or near their cost to bypass MERC through base distribution rates, any increase could support the economic decision to bypass MERC's system.

At issue is not the direct customers *preferring* not to pay the surcharge rates, as the OAG characterizes MERC's proposal.[45] Rather, those customers have made clear, and the circumstances of the service they receive from MERC demonstrates that if the GUIC and NGEP rider surcharges are not suspended, they will cease being customers of MERC. Based on the information submitted in the record since MERC filed its emergency request on June 28, 2019, it is clear that the risk of bypass posed by the direct connect customers is real. The cost for those customers to bypass MERC's system as compared to the current distribution rates they pay to remain on MERC's system indicate that the additional costs imposed through the NGEP and GUIC rider surcharges would be a breakpoint for those customers.

2. *MERC's Non-Direct Customers Will Not Be Harmed by the Proposal*

Both the Department and the OAG also raise questions regarding whether the proposed suspension and refund should be approved in light of the increase in costs that will ultimately be imposed on MERC's non-direct connect customers related to the NGEP and GUIC riders.[46] A comparison of the originally approved NGEP and GUIC rider cost allocations across MERC's various customer classes to MERC's proposal to suspend and refund the NGEP and GUIC rider charges for direct connect customers does not reflect the

[43] Attachment A at ¶11; SLGI Comments at Exhibit A, ¶10.
[44] Attachment A at ¶11-12.
[45] OAG Comments at 3.
[46] Department Comments at 6-7; OAG Comments at 4.

alternatives currently available to the Commission. As discussed in detail above, if the Commission denies MERC's request, MERC does believe the customers at issue will bypass the Company's system. Absent approval of the suspension, the result of such bypass would mean an under-recovery on both the GUIC and NGEP riders in 2019 which would be subsequently recovered from all remaining customers through the already-approved sales true-up mechanism that would be trued-up in 2021.[47] Thus, whether the Commission approves or denies the requested suspensions, the impact to remaining customers is the same—the approximately $1.5 million that would have been recovered from the direct connect customers will be recovered from remaining customers.

The Department recommends that "[g]iven the potential impact of the suspension on non-direct-connect customers, the Department requests that the Commission consider temporarily suspending GUIC rider recovery for all customers at this time to allow for additional analysis for the GUIC rider and its rate impacts to all MERC customers."[48] MERC responds that the proposed suspension will have no impact whatsoever on MERC's non-direct-connect customers' 2019 rates. Under MERC's proposal, those customers would continue to be assessed the Commission approved surcharge rate of $0.00413 per therm. As a result, the Department's recommendation to temporarily suspend the GUIC rider recovery for all customers is not appropriate or justified. MERC's Residential, small commercial, and other non-direct connect customers will not be assessed any additional charges in 2019 beyond what was already approved by the Commission for those classes.[49]

Ultimately, in evaluating the potential harm to MERC's ratepayers, the Commission should focus its attention on the benefits to MERC's non-direct connect customers that will be lost if the direct connect customers bypass. Given that there is substantial evidence demonstrating the direct connect customers pose a risk of bypass in being assessed the GUIC and NGEP rider surcharges, the impacts resulting from the lost NGEP and GUIC rider recoveries will occur regardless of whether the Commission takes action on the emergency request.

3. *MERC's Non-Direct Connect Customers Will Be Harmed if Action is Not Taken to Suspend the Rider Surcharges*

The difference between approval and denial of the requested relief is whether non-direct connect customers will lose the benefits provided by the direct connect customers. In

[47] Even under the Department's recommended GUIC rider alternative, the Department acknowledged that the rider recovery would need to be trued up for actual sales. Docket No. G011/M-18-281, Department Comments at 6 (July 25, 2018) ("The Department does not object to a true-up. However, as discussed above, the Department recommends that MERC's GUIC begin on January 1, 2020, based on actual costs of 2019. As a result, the true-up would reflect only the extent to which MERC's estimated sales differ from actual sales.")
[48] Department Comments at cover letter.
[49] And the Department's statement that the Company's proposal would be effectively equivalent to three general rate increases all over the span of less than one year is not accurate. Department Comments at 7.

particular, the direct connect customers benefit MERC's non-direct connect customers by (1) contributing to the system's fixed costs and (2) expanding MERC's daily balancing tolerance on the interstate pipeline. If action is not taken to prevent bypass by the direct connect customers, MERC's non-direct connect customers will be harmed as a result of the loss of these benefits.

With respect to fixed system costs (i.e., those overall system costs that will not be reduced as a result of the direct connect customers leaving MERC's system), given that the direct connect customers impose minimal incremental costs on the MERC system, the savings from those customers' election to bypass would be nominal while the costs would likely be significant. MERC performed a high-level calculation of the impact of bypass by the direct connect customers on lost margin revenue and resulting impact on an average residential customer's rates, which is included as Attachment B to these Comments. Based on that high-level calculation, MERC concluded that it would experience approximately $1.6 million in lost revenues associated with the direct connect customers bypassing. The resulting potential annual rate impact for an average Residential customer would be approximately $4.83.[50] The loss of the margin revenues associated with the bypass customers would increase the likelihood that MERC will need to file a general rate case. And regardless of the timing of a rate case filing, such a request would require the fixed distribution costs currently recovered through the direct connect customer class to be recovered by all remaining customers.

Second, as reflected in the Rebuttal Testimony submitted as an attachment to Encore's July 1, 2019 filing , the direct connect customers provide a significant, predictable year-round load, which effectively expands MERC's daily balancing tolerance on Northern Natural Gas ("NNG").[51] In particular, under NNG's tariffs, in addition to having the option to purchase additional SMS, there an imbalance tolerance equal to five percent of nominated volumes. For MERC, that tolerance includes both system sales and transport nominations to MERC delivery points. Thus, for example, if there are 200,000 Dth nominated to MERC's system on a given day, the balancing tolerance is MERC's contracted SMS volumes plus an additional 10,000 Dth/day (i.e., five percent of the 200,000).[52] Thus, MERC's customers receive a balancing benefit as a result of the direct connect customers nominations to MERC's system. While it is uncertain whether MERC would elect to purchase additional SMS volumes if the direct connect customers were to bypass the Company's system, the cost of such option to mitigate imbalance penalties could be up to approximately $130,800 each year.[53]

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[50] This analysis is included as Attachment B to these Reply Comments.
[51] Encore Letter, Attachment (Rebuttal Testimony of Bret Feller) at 3 (July 1, 2019).
[52] MERC notes that this is intended to provide an illustrative example and does not reflect the actual daily volumes.
[53] This is based on the cost of 5,000 Dth of per day of SMS at a rate of $2.18 per Dth per month over 12-months. Northern Natural Gas Tariff Sheet at No. 55, available at https://apps.northernnaturalgas.com/public/tariff/data/entiretariff.pdf

The harm resulting from the loss of the bypass customers on MERC's remaining customers would be significant and should appropriately be considered by the Commission in evaluating whether to grant the emergency action proposed by MERC. MERC respectfully urges the Commission to grant the emergency relief as proposed to mitigate those adverse impacts to all of the Company's customers.

4. *A Failure to Take Immediate Action Will Foreclose the Opportunity to Prevent the Harm Resulting from Bypass*

Finally, the OAG asserts that MERC has other regulatory remedies available to it to address the concerns identified in the Company's June 28, 2019, Filing.[54] In particular, OAG advocates that MERC could address the identified risk of bypass in a future rider filing or a general rate case.[55] To the contrary, however, a delay in mitigating the rate impact on the direct connect customers would almost certainly obviate the issue, as MERC anticipates the direct connect customers would provide notice of their intent to bypass. The risk posed by direct connect customer bypass is imminent and as such, the timeline to complete review on MERC's 2020 riders or to complete a full contested case proceeding in a general rate case cannot address the risk.

MERC believes its emergency request reflects the most narrowly tailored remedy to mitigate the real and immediate risk of customer bypass. Given the bypass cost analyses presented in the record and the current distribution rates approved for MERC's direct connect customers, the Company believes that denial of any aspect of its June 28, 2019 emergency request could trigger a direct connect customer's decision to bypass.

## CONCLUSION

Based on the foregoing, MERC continues to respectfully request that the Commission take action on an emergency basis to avoid the potential bypass and loss of the direct connect customers. MERC requests that the Commission issue an Order:

1) Authorizing the suspension of the 2019 GUIC rider surcharge from direct connect customers by August 1, 2019;
2) Authorizing the suspension of the 2019 NGEP rider surcharge from direct connect customers by August 1, 2019;
3) Authorizing the refund of all amounts collected from direct connect customers prior to suspension on both the NGEP and GUIC rider surcharges;
4) Authorizing MERC to recover the resulting under-recovered revenues for both the GUIC rider and NGEP rider through the 2019 rider true-up calculations.

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[54] OAG Comments at 6.
[55] OAG Comments at 6-7.

Please contact me at (651) 322-8913 or Mary Wolter at (414) 221-2374 if you have any questions regarding the information in this filing. Thank you for your attention to this matter.

Sincerely,

Thomas A. Rice

Thomas A. Rice
Vice President
Minnesota Energy Resources Corporation

Enclosures
cc: Service List

# Attachment A

Public Version

**STATE OF MINNESOTA**
**BEFORE THE**
**PUBLIC UTILITIES COMMISSION**

| | |
|---|---|
| In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Gas Utility Infrastructure Cost (GUIC) Rider | Docket No. G011/M-18-281 |
| In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Natural gas Extension Project (NGEP) Cost Rider Surcharge for Recovery of 2019 Rochester Project Costs | Docket No. G011/M-18-182 |

**AFFIDAVIT OF LINDSAY K. LYLE**

**STATE OF MINNESOTA )**
**) ss.**
**COUNTY OF DAKOTA )**

**I, Lindsay K. Lyle, being first duly sworn, depose and state as follows:**

1. My name is Lindsay Lyle. I am the Engineering Manager of Minnesota Energy Resources Corporation ("MERC"). My business address is 2685 145th Street West, Rosemount, Minnesota 55068.

2. I have been working as an engineer in the natural gas industry 20 years and have expertise in the design and engineering of natural gas systems.

3. I am submitting this affidavit in support of MERC's June 28, 2019, Emergency Request to Suspend Collection of Gas Utility Infrastructure Cost Rider and Natural Gas Extension Project Rider Surcharges for Direct Connect Customers. In particular, my affidavit (1) provides details regarding the equipment MERC owns and operates at each direct connect customer site and (2) provides a discussion of the costs that would be needed for each direct connect customer to bypass MERC's distribution system. I note that the costs that would be required to bypass MERC's system are not equivalent to MERC's ongoing costs to serve these customers.

4. Based on my evaluation of the costs that would be required for the direct connect customers to bypass MERC's system, I conclude that MERC's proposal to suspend and refund the Gas Utility Infrastructure Cost ("GUIC") rider surcharge and Natural Gas Extension Project ("NGEP") rider surcharge for direct connect customers is necessary in order to avoid bypass by those customers. The cost of bypass for the direct connect customers is less than the costs they will incur in paying the current distribution rate, customer charges, NGEP rider surcharge, and GUIC rider surcharge (i.e., the cost to remain on MERC's system).

5. Direct connect customers are expressly defined in MERC's Commission-approved tariffs as (1) customers who are directly connected to the interstate pipeline with no Company-owned underground distribution facilities where (2) no non-Direct Connect customers are served off of the same point of interconnection.

6. MERC provides service to nine direct connect customer accounts. The majority of those direct connect customers are engaged in mining operations.

7. All of the direct connect customer receive their natural gas through a town border station ("TBS") where the interstate pipeline provides measurement and regulation. The outlet of the interstate-pipeline-owned TBS is where custody transfer to the customer occurs. While MERC is currently listed as the point operator for each of these TBSs, NNG can transfer point operator status directly to the customers upon request by those customers.

8. At each site, MERC owns and operates an odorizer along with a tank to store odorant. Additionally, at some of the sites, MERC owns supervisory control and data acquisition ("SCADA") equipment to allow remote monitoring of the odorizer equipment. MERC's odorizers are purchased with the unit and bulk tank on a skid with containment. The entire unit is secured to supports that are calculated for the size and weight of the equipment. In particular, MERC owns the following equipment at each direct connect customer site:

**[TRADE SECRET DATA BEGINS…**

[redacted]

...TRADE SECRET DATA ENDS]

[TRADE SECRET DATA BEGINS...

[redacted]

...TRADE SECRET DATA ENDS]

9. In order to bypass MERC, each direct connect customer would need to purchase an odorizer and related equipment and contract to purchase odorant. None of the direct connect customers would need to install any additional pipe, meters, valves, or other equipment in order to bypass MERC because all of these customers are already directly connected to the interstate pipeline system.

10. The cost of an odorizer and associated equipment depends on hourly flow. The odorizer needs to be able to operate at maximum flow as well as minimum usage. Each bulk tank is sized to allow for 1-2 fills annually. Based on my experience, the total cost to purchase an odorizer and the associated equipment that would be necessary for odorization to meet the needs of MERC's direct connect customers is approximately $50,000 to $200,000.

11. With respect to the cost to purchase odorant and the operations and maintenance ("O&M") expense associated with odorization, I have reviewed the assumptions in the Affidavit of Kenneth C. Graeber, provided as Exhibit A to the July 11, 2019, Comments of the Super Large Gas Intervenors. Based on my experience, I agree with Mr. Graeber's estimate of the cost of odorant given the quantity that would be needed for the direct connect customers. I also agree that Mr. Graeber's overall estimate of odorant costs, O&M expense, and upfront investments amortized over three years, given the annual usage by the direct connect customers, accurately reflects those customers' costs to bypass MERC.

12. Based on my experience, the specific equipment currently owned and operated to serve the direct connect customers, and the quantity of usage by those customers, I conclude that Mr. Graeber's overall estimate of the cost per therm for the direct connect customers to bypass MERC is accurate.

13. Based on my evaluation of the costs that would be required for the direct connect customers to bypass MERC's system, I conclude that MERC's proposal to suspend and refund the GUIC and NGEP rider surcharges for direct connect customers is necessary in order to avoid bypass by those customers because the cost of bypass is less than the cost to remain on MERC's system.

I declare that, to the best of my knowledge and belief, the information contained herein is true, correct, and complete.

Executed this 18th day of July, 2019.

Lindsay K. Lyle

Lindsay K. Lyle

Subscribed and sworn to before me this 18 day of July, 2019.

Nancy L. Lilienthal

Notary Public

NANCY L. LILIENTHAL
Notary Public-Minnesota
My Commission Expires Jan 31, 2020

# Attachment B

**Minnesota Energy Resources Corporation**
**Docket Nos. G011/M-18-281, G011/M-18-182**
**Attachment B**

## Assumptions:

All Direct Connects are Subject to
Class 5 Interruptible Rates (approved in G011/GR-17-563)

| | | | |
|---|---|---|---|
| Fixed Charge | $ | 510.00 | |
| Rate/Therm | $ | 0.00448 | |

Direct Connects

| | | | |
|---|---|---|---|
| Estimated Annual Usage | | 338,000,000 | therms |
| # of Services | | 14 | |
| Estimated Annual Revenue | $ | 1,599,920 | |

Assumes 2018 actual usage is equivalent to 2018 forecasted usage.

Assumes all lost revenue reallocate in accordance with revenue apportionment approved in Docket No. G011/GR-17-563

Revenue Apportionment (approved in G011/GR-17-563)

| | | | |
|---|---|---|---|
| Residential | 62.80% | $ | 69,346,605 |
| Firm Sales | 23.90% | $ | 26,453,173 |
| Interruptible Sales | 3.50% | $ | 3,854,349 |
| Transport | 9.80% | $ | 10,853,264 |

| | | | |
|---|---|---|---|
| Annual Residential Sales (per G011/GR-17-563) | | 183,783,848 | therms |
| Annual Residential Revenues (per G011/GR-17-56: | $ | 69,346,605 | (excludes cost of gas) |
| Average Residential Use per Customer | | 871 | therms/year |

**Average annual bill impact that a residential customer would experience under the following bypass scenarios, providing all supporting calculations and assumptions:**

a) 100% of the direct connect customers' usage leaves MERC's system

| | | | |
|---|---|---|---|
| Annual revenue loss | | $ | 1,599,920 |
| New revenue apportionment (direct connects are all transporters) | | | |
| Residential | 63.7% | $ | 69,346,605 |

| | | | | | |
|---|---|---|---|---|---|
| | Firm Sales | | 24.3% | $ | 26,453,173 |
| | Interruptible Sales | | 3.5% | $ | 3,854,349 |
| | Transport | | 8.5% | $ | 9,253,344 |
| | Apportioned to residentials | $ 1,019,149 | | | |
| | Rate per therm | $ 0.00555 | | | |
| | Annual impact per residential customer | | | $ | 4.83 |

b) 80% of the direct connect customers' usage leaves MERC's system

| | | | | |
|---|---|---|---|---|
| Annual revenue loss | $ 1,279,936 | | | |
| New revenue apportionment (direct connects are all transporters) | | | | |
| Residential | | 63.5% | $ | 69,346,605 |
| Firm Sales | | 24.2% | $ | 26,453,173 |
| Interruptible Sales | | 3.5% | $ | 3,854,349 |
| Transport | | 8.8% | $ | 9,573,328 |
| Apportioned to residentials | $ 812,759 | | | |
| Rate per therm | $ 0.00442 | | | |
| Annual impact per residential customer | | | $ | 3.85 |

c) 50% of the direct connect customers' usage leaves MERC's system

| | | | | |
|---|---|---|---|---|
| Annual revenue loss | $ 799,960 | | | |
| New revenue apportionment (direct connects are all transporters) | | | | |
| Residential | | 63.2% | $ | 69,346,605 |
| Firm Sales | | 24.1% | $ | 26,453,173 |
| Interruptible Sales | | 3.5% | $ | 3,854,349 |
| Transport | | 9.2% | $ | 10,053,304 |
| Apportioned to residentials | $ 505,575 | | | |
| Rate per therm | $ 0.00275 | | | |
| Annual impact per residential customer | | | $ | 2.40 |

d) 20% of the direct connect customers' usage leaves MERC's system

| | | | | |
|---|---|---|---|---|
| Annual revenue loss | $ 319,984 | | | |
| New revenue apportionment (direct connects are all transporters) | | | | |
| Residential | | 62.9% | $ | 69,346,605 |
| Firm Sales | | 24.0% | $ | 26,453,173 |
| Interruptible Sales | | 3.5% | $ | 3,854,349 |

| | | | | |
|---|---|---|---|---|
| Transport | | | 9.6% | $ 10,533,280 |
| Apportioned to residentials | $ | 201,270 | | |
| Rate per therm | $ | 0.00110 | | |
| Annual impact per residential customer | | | | $ 0.95 |

e) The usage of direct connect customers engaged in taconite mining leaves MERC's system

| | | | | |
|---|---|---|---|---|
| Annual revenue loss | $ | 1,055,947 | | |
| (assumes that 2/3 of direct connect load are taconite mining operations) | | | | |
| New revenue apportionment (direct connects are all transporters) | | | | |
| Residential | | | 63.4% | $ 69,346,605 |
| Firm Sales | | | 24.2% | $ 26,453,173 |
| Interruptible Sales | | | 3.5% | $ 3,854,349 |
| Transport | | | 9.0% | $ 9,797,317 |
| Apportioned to residentials | $ | 669,471 | | |
| Rate per therm | $ | 0.00364 | | |
| Annual impact per residential customer | | | | $ 3.17 |

| | |
|---|---|
| In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Gas Utility Infrastructure Cost (GUIC) Rider | Docket No. G011/M-18-281 |
| In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Natural gas Extension Project (NGEP) Cost Rider Surcharge for Recovery of 2019 Rochester Project Costs | Docket No. G011/M-18-182 |

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 18th day of July, 2019, on behalf of Minnesota Energy Resources Corporation (MERC) I electronically filed a true and correct copy of the enclosed 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.

Dated this 18th day of July, 2019.

__/s/ Kristin M. Stastny_____
Kristin M. Stastny

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| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
|---|---|---|---|---|---|---|---|
| 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_18-182_M-18-182 |
| Andrew | Moratzka | andrew.moratzka@stoel.com | Stoel Rives LLP | 33 South Sixth St Ste 4200 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Joseph | Pereira | josephp@cubminnesota.org | Citizen's Utility Board of Minnesota | 332 Minnesota St Ste W1360 Saint Paul, MN 55101 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Catherine | Phillips | catherine.phillips@we-energies.com | We Energies | 231 West Michigan St Milwaukee, WI 53203 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Richard | Savelkoul | rsavelkoul@martinsquires.com | Martin & Squires, P.A. | 332 Minnesota Street Ste W2750 St. Paul, MN 55101 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Elizabeth | Schmiesing | eschmiesing@winthrop.com | Winthrop & Weinstine, P.A. | 225 South Sixth Street Suite 3500 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Colleen | Sipiorski | Colleen.Sipiorski@wecenergygroup.com | Minnesota Energy Resources Corporation | 700 North Adams St Green Bay, WI 54307 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Kristin | Stastny | kstastny@briggs.com | Briggs and Morgan, P.A. | 2200 IDS Center 80 South 8th Street Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| James M | Strommen | jstrommen@kennedy-graven.com | Kennedy & Graven, Chartered | 200 S 6th St Ste 470 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-182_M-18-182 |

| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
|---|---|---|---|---|---|---|---|
| Eric | Swanson | eswanson@winthrop.com | Winthrop & Weinstine | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Casey | Whelan | cwhelan@kinectenergy.com | Kinect Energy Group | 605 Highway 169 N Ste 1200<br><br>Plymouth,<br>MN<br>55441 | Electronic Service | No | OFF_SL_18-182_M-18-182 |
| Daniel P | Wolf | dan.wolf@state.mn.us | Public Utilities Commission | 121 7th Place East<br>Suite 350<br>St. Paul,<br>MN<br>551012147 | Electronic Service | Yes | OFF_SL_18-182_M-18-182 |
| Mary | Wolter | mary.wolter@wecenergygroup.com | Minnesota Energy Resources Corporation (HOLDING) | 231 West Michigan St<br><br>Milwaukee,<br>WI<br>53203 | Electronic Service | No | OFF_SL_18-182_M-18-182 |

| 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<br><br>Minneapolis,<br>MN<br>554021498 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Generic Notice | Commerce Attorneys | commerce.attorneys@ag.state.mn.us | Office of the Attorney General-DOC | 445 Minnesota Street Suite 1800<br><br>St. Paul,<br>MN<br>55101 | Electronic Service | Yes | OFF_SL_18-281_M-18-281 |
| Ian | Dobson | residential.utilities@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012131 | Electronic Service | Yes | OFF_SL_18-281_M-18-281 |
| Bret | Feller | bret.feller@encorenergy.com | Encore Energy | 12120 Port Grace Blvd Ste 200<br><br>Las Vista,<br>NE<br>68128 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Sharon | Ferguson | sharon.ferguson@state.mn.us | Department of Commerce | 85 7th Place E Ste 280<br><br>Saint Paul,<br>MN<br>551012198 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Daryll | Fuentes | dfuentes@usg.com | USG Corporation | 550 W Adams St<br><br>Chicago,<br>IL<br>60661 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Allen | Gleckner | gleckner@fresh-energy.org | Fresh Energy | 408 St. Peter Street<br>Ste 220<br>Saint Paul,<br>Minnesota<br>55102 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Amber | Lee | Amber.Lee@centerpointenergy.com | CenterPoint Energy | 505 Nicollet Mall<br><br>Minneapolis,<br>MN<br>55402 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Pam | Marshall | pam@energycents.org | Energy CENTS Coalition | 823 7th St E<br><br>St. Paul,<br>MN<br>55106 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Brian | Meloy | brian.meloy@stinson.com | STINSON LLP | 50 S 6th St Ste 2600<br><br>Minneapolis,<br>MN<br>55402 | Electronic Service | No | OFF_SL_18-281_M-18-281 |

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|---|---|---|---|---|---|---|---|
| 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_18-281_M-18-281 |
| Andrew | Moratzka | andrew.moratzka@stoel.com | Stoel Rives LLP | 33 South Sixth St Ste 4200 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Joseph | Pereira | josephp@cubminnesota.org | Citizen's Utility Board of Minnesota | 332 Minnesota St Ste W1360 Saint Paul, MN 55101 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Catherine | Phillips | catherine.phillips@we-energies.com | We Energies | 231 West Michigan St Milwaukee, WI 53203 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Richard | Savelkoul | rsavelkoul@martinsquires.com | Martin & Squires, P.A. | 332 Minnesota Street Ste W2750 St. Paul, MN 55101 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Elizabeth | Schmiesing | eschmiesing@winthrop.com | Winthrop & Weinstine, P.A. | 225 South Sixth Street Suite 3500 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Colleen | Sipiorski | Colleen.Sipiorski@wecenergygroup.com | Minnesota Energy Resources Corporation | 700 North Adams St Green Bay, WI 54307 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Kristin | Stastny | kstastny@briggs.com | Briggs and Morgan, P.A. | 2200 IDS Center 80 South 8th Street Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| James M | Strommen | jstrommen@kennedy-graven.com | Kennedy & Graven, Chartered | 200 S 6th St Ste 470 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_18-281_M-18-281 |

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|---|---|---|---|---|---|---|---|
| Eric | Swanson | eswanson@winthrop.com | Winthrop & Weinstine | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Casey | Whelan | cwhelan@kinectenergy.com | Kinect Energy Group | 605 Highway 169 N Ste 1200<br><br>Plymouth,<br>MN<br>55441 | Electronic Service | No | OFF_SL_18-281_M-18-281 |
| Daniel P | Wolf | dan.wolf@state.mn.us | Public Utilities Commission | 121 7th Place East<br>Suite 350<br>St. Paul,<br>MN<br>551012147 | Electronic Service | Yes | OFF_SL_18-281_M-18-281 |
| Mary | Wolter | mary.wolter@wecenergygroup.com | Minnesota Energy Resources Corporation (HOLDING) | 231 West Michigan St<br><br>Milwaukee,<br>WI<br>53203 | Electronic Service | No | OFF_SL_18-281_M-18-281 |

| 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<br><br>Minneapolis,<br>MN<br>554021498 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Generic Notice | Commerce Attorneys | commerce.attorneys@ag.state.mn.us | Office of the Attorney General-DOC | 445 Minnesota Street Suite 1800<br><br>St. Paul,<br>MN<br>55101 | Electronic Service | Yes | OFF_SL_19-282_M-19-282 |
| Ian | Dobson | residential.utilities@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012131 | Electronic Service | Yes | OFF_SL_19-282_M-19-282 |
| Sharon | Ferguson | sharon.ferguson@state.mn.us | Department of Commerce | 85 7th Place E Ste 280<br><br>Saint Paul,<br>MN<br>551012198 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Daryll | Fuentes | dfuentes@usg.com | USG Corporation | 550 W Adams St<br><br>Chicago,<br>IL<br>60661 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Brian | Meloy | brian.meloy@stinson.com | STINSON LLP | 50 S 6th St Ste 2600<br><br>Minneapolis,<br>MN<br>55402 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Andrew | Moratzka | andrew.moratzka@stoel.com | Stoel Rives LLP | 33 South Sixth St Ste 4200<br><br>Minneapolis,<br>MN<br>55402 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Catherine | Phillips | catherine.phillips@we-energies.com | We Energies | 231 West Michigan St<br><br>Milwaukee,<br>WI<br>53203 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Elizabeth | Schmiesing | eschmiesing@winthrop.com | Winthrop & Weinstine, P.A. | 225 South Sixth Street<br>Suite 3500<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Colleen | Sipiorski | Colleen.Sipiorski@wecenergygroup.com | Minnesota Energy Resources Corporation | 700 North Adams St<br><br>Green Bay,<br>WI<br>54307 | Electronic Service | No | OFF_SL_19-282_M-19-282 |

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| Kristin | Stastny | kstastny@briggs.com | Briggs and Morgan, P.A. | 2200 IDS Center<br>80 South 8th Street<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
| Eric | Swanson | eswanson@winthrop.com | Winthrop & Weinstine | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No | OFF_SL_19-282_M-19-282 |
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| Mary | Wolter | mary.wolter@wecenergygroup.com | Minnesota Energy Resources Corporation (HOLDING) | 231 West Michigan St<br><br>Milwaukee,<br>WI<br>53203 | Electronic Service | No | OFF_SL_19-282_M-19-282 |