



Minnesota Energy Resources Corporation
2685 145th Street West
Rosemount, MN 55068
www.minnesotaenergyresources.com

September 18, 2019

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

**Re: Reply Comments of Minnesota Energy Resources Corporation
2018 Annual Decoupling Evaluation Report**

Docket No. G011/M-19-201

Dear Mr. Wolf:

On September 10, 2019, the Minnesota Department of Commerce, Division of Energy Resources ("Department") submitted Comments in the above-referenced docket regarding Minnesota Energy Resources Corporation's ("MERC" or the "Company") Decoupling Evaluation Report for calendar year 2018. The Department recommended that the Minnesota Public Utilities Commission ("Commission") take the following action:

[A]pprove MERC's proposed 2019/2020 [revenue decoupling mechanism ("RDM")] Adjustment of (\$0.01765) per therm for its Residential customers and \$0.00741 per therm for its Small C&I customers, as proposed in the Company's 2018 RDM Adjustment filing. The Department also recommends that the Commission accept MERC's 2018 Annual Decoupling Evaluation Report.¹

Additionally, the Department notes that "[f]or administrative efficiency the Department will consult with the utilities that have decoupling and Commission Staff to see if there is an agreement on whether there are any parts of the evaluation reports that can be eliminated, and if so, present proposed reporting requirement modifications for future evaluation reports to the Commission."²

MERC thanks the Department for its thorough analysis and review. MERC welcomes the opportunity to work with the Department and Commission Staff to streamline future decoupling evaluation reporting. Based on the Comments submitted, MERC and the Department are in agreement and no open issues with respect to MERC's 2018 Decoupling Evaluation Report or 2019/2020 RDM remain.

¹ Department Comments at 10.

² Department Comments at 7.

MERC does note that with respect to the termination of decoupling for the Company's Small C&I class (now Firm Class 1) effective January 1, 2019, although the current 2019/2020 RDM adjustment for calendar year 2018 sales reflects the last year that customer class will be subject to decoupling, future RDM calculations and refund/surcharge rates for that class will be necessary to account for the applicable reconciliation adjustments for calendar years 2017 and 2018.³

Finally, MERC notes that its Residential decoupling is currently approved through 2022 with potential modifications to be evaluated in the Company's next general rate case. MERC will submit a proposal with its 2019 decoupling evaluation report to extend its current decoupling program and parameters until completion of the Company's next rate case.

MERC respectfully requests that the Commission take the action recommended in the Department's Comments.

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

Sincerely,

A handwritten signature in blue ink that reads "Mary L. Wolter". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Mary L. Wolter
Director – Gas Regulatory Planning & Policy

cc: Service List

³ See Department Comments at 6, footnote 4.

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 18th day of September, 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 September, 2019.

/s/ Kristin M. Stastny
Kristin M. Stastny

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_19-201_M-19-201
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-201_M-19-201
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-201_M-19-201
Daryll	Fuentes	dfuentes@usg.com	USG Corporation	550 W Adams St Chicago, IL 60661	Electronic Service	No	OFF_SL_19-201_M-19-201
Brian	Meloy	brian.meloy@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-201_M-19-201
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-201_M-19-201
Catherine	Phillips	catherine.phillips@we-energies.com	We Energies	231 West Michigan St Milwaukee, WI 53203	Electronic Service	No	OFF_SL_19-201_M-19-201
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_19-201_M-19-201
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-201_M-19-201
Colleen	Sipiorski	Colleen.Sipiorski@wecenergygroup.com	Minnesota Energy Resources Corporation	700 North Adams St Green Bay, WI 54307	Electronic Service	No	OFF_SL_19-201_M-19-201

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Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_19-201_M-19-201
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_19-201_M-19-201
Mary	Wolter	mary.wolter@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)	231 West Michigan St Milwaukee, WI 53203	Electronic Service	No	OFF_SL_19-201_M-19-201