

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David Boyd	Chair
J. Dennis O'Brien	Commissioner
Phyllis Reha	Commissioner
Thomas Pugh	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Application of)	Docket No. G007,011/GR-10-977
Minnesota Energy Resources Corporation)	
for Authority to Increase Rates for Natural)	
Gas Service in Minnesota)	

SUMMARY OF FILING

On November 30, 2010, Minnesota Energy Resources Corporation (“MERC” or the “Company”), filed with the Minnesota Public Utilities Commission (the “Commission”) an application to increase retail gas rates in the State of Minnesota (the “Application”) for its operating divisions MERC-PNG and MERC-NMU. Pursuant to Minn. Stat. § 216B.16, subd. 1, MERC requests a rate increase of \$11,783,427 or 5.07% for MERC-PNG, \$3,381,882 or 5.60% for MERC-NMU, or a combined \$15,165,309 or 5.18% effective February 1, 2011, without suspension. MERC has determined that it will incur an interim revenue deficiency of \$5,716,422 or 2.46% for MERC-PNG, \$1,896,914 or 3.14% for MERC-NMU, and \$7,613,336 or 2.60% for MERC’s natural gas utility operations as a whole. If the Commission elects to suspend the proposed rate increase under Minn. Stat. § 216B.16, subd. 2, the Company requests, pursuant to Minn. Stat. § 216B.16, subd. 3, that an interim rate increase of \$5,628,322 or 2.42% for MERC-PNG, \$1,896,914 or 3.14% for MERC-NMU, and a combined increase of \$7,525,236 or 2.57% be effective on February 1, 2011, with final rates becoming effective within 10 months of the date of the Application.

On average, the proposed rate change would increase the bill for a typical residential gas customer by \$5.27 per month or \$63.20 annually for a MERC-PNG customer served off of the

Northern Natural Gas Pipeline, by \$5.04 per month or \$60.47 annually for a MERC-PNG customer served off of the Great Lakes Pipeline, and by \$4.86 per month or \$58.27 annually for a MERC-PNG customer served off of the Viking Pipeline. On average, the proposed rate change would increase the bill for a typical residential gas customer by \$2.24 per month or \$26.91 annually for a MERC-NMU customer.

If the requested rates are suspended, the interim rates would increase the bill for a typical residential gas customer as outlined below. On average, the proposed rate change would increase the bill for a typical residential gas customer by \$1.94 per month or \$23.31 annually for a MERC-PNG customer served off of the Northern Natural Gas Pipeline, by \$1.85 per month or \$22.17 annually for a MERC-PNG customer served off of the Great Lakes Pipeline, and by \$1.77 per month or \$21.25 annually for a MERC-PNG customer served off of the Viking Pipeline. On average, the proposed rate change would increase the bill for a typical residential gas customer by \$2.49 per month or \$29.86 annually for a MERC-NMU customer.

The proposed rate schedules and a comparison of present and proposed rates are available at www.minnesotaenergyresources.com and can also be examined during normal business hours at MERC's offices located in Bemidji, Cloquet, Fairmont, Rochester, and Rosemount, or at the Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101.

Additionally, this filing is available through the eDockets system maintained by the Minnesota Department of Commerce and the Minnesota Public Utilities Commission. You can access this document by going to eDockets through the websites of the Department of Commerce or the Public Utilities Commission or going to the eDockets homepage at <https://www.edockets.state.mn.us/Efiling/search.jsp>, under Docket Number G007,011/GR-10-977.