

Greater Minnesota Gas, Inc.  
Application for Authority to Increase Rates  
Docket No. G022/GR-24-350

# **VOLUME 2**

Testimony and Exhibits

# **TESTIMONY**

Testimony and Exhibit of Cody J. Chilson  
pursuant to Minn. R. 7825.3700

Direct Testimony  
Mr. Cody J. Chilson

Before the Public Utilities Commission of  
the State of Minnesota

In the Matter of the Application of  
Greater Minnesota Gas, Inc.  
for the Authority to Increase Rates for  
Natural Gas Utility Service in Minnesota

Docket No. G022/GR-24-350

November 1, 2024

I. INTRODUCTION

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- Q. What is your name, business address, and position?
- A. My Name is Cody J. Chilson. I am President of Greater Minnesota Gas, Inc. (“GMG” or “the Company”), located at 1900 Cardinal Lane, Faribault, Minnesota 55021.
- Q. Please describe your present responsibilities.
- A. I have executive responsibility for the development, coordination, and implementation of strategies and policies related to the business and operations of GMG. I am involved in all major decisions related to the Company and I provide guidance to the Company’s employees regarding all primary Company matters. I also serve as a primary liaison with GMG’s Board of Directors and many of the Company’s business partners.
- Q. Please describe your educational background, as well as your business and professional experience.
- A. I obtained a Bachelor of Science Degree, Magna Cum Laude, in Civil Engineering from North Dakota State University in 2005. I am a licensed Professional Engineer in both Minnesota and North Dakota. I began working for GMG in 2015 and have been serving as its president since July 2021. Prior to assuming my current position, I served as GMG’s Operating Vice President from January 2020 through June 2021 and as its Operations Director before that. Prior to working for GMG, I served in a variety of engineering positions, as a project manager, and as an operations manager for Xcel Energy from September 2008 through July 2015. I began my career as a project engineer from RLK, Inc., working there from January 2006 through August 2008.
- While at Xcel Energy, I held various roles related to Xcel Energy’s natural gas business. I started as the engineer responsible for transmission pipeline integrity management for

1 NSPM, where I developed integrity management processes, and planned integrity  
2 assessments to ensure pipeline safety and compliance with federal code. Later, I was  
3 given the responsibility of being an area engineer for Xcel Energy's southwest gas  
4 distribution district, which included project design, project management, and system flow  
5 modeling for capacity planning for that area. After that, I was the engineer responsible  
6 for NSPM's high pressure gas facilities that provide gas to Xcel Energy's customers in  
7 the Saint Paul and surrounding east metro area. When Xcel Energy began replacing its  
8 obsolete transmission pipeline assets, I was heavily involved, serving as both the project  
9 engineer and project manager for the first year of its East Metro Pipeline Replacement  
10 Project. Over the four-year duration of that \$69M project, over eleven miles pipe in St.  
11 Paul and Roseville were removed and replaced with new 20-inch steel pipeline. My final  
12 position at Xcel Energy was Operations Manager for the Saint Paul area. In that role, I  
13 managed up to 65 gas field operations employees including construction crews, gas  
14 utilization workers, gas pressure crews, leak surveyors, welders, and high-pressure line  
15 tapping crews. During my time with Xcel Energy, I also served as a member of company  
16 teams devoted to safety and compliance, including the Transmission Integrity  
17 Management Plan Advisory Committee, Gas Pipeline Advisory Board, and Pipeline  
18 Compliance and Standards Manual Review Council.

19  
20 When I started at GMG, my responsibilities included managing the personnel  
21 responsible for field operations and maintenance, gas design, project management,  
22 engineering, permitting, gas compliance, and mapping. In addition, I oversaw GMG's  
23 contractors. My role expanded during my time with the Company and, when I was  
24 named Operating Vice President, I became responsible for GMG's accounting and  
25 finance, marketing and customer service, and legal and regulatory groups in addition to  
26 the operations group I was already managing. I retain oversight responsibilities today as

1 GMG's president, where I lead and direct the executive team to ensure GMG's goals are  
2 met.

3

4 Q. On whose behalf are you testifying?

5 A. I am testifying on behalf of GMG.

6

7 Q. Describe the purpose of your testimony?

8 A. The primary purpose of my testimony is to provide an overview of GMG and its  
9 operations, its key strategic initiatives, and the challenges the Company faces as it  
10 works to deliver safe and reliable energy service to its customers; explain GMG's  
11 request for a natural gas distribution rate increase; and discuss the policies and reasons  
12 that underly the major aspects of that request. I will also discuss the need for an interim  
13 rate increase and I will introduce the other witnesses from GMG that will present  
14 testimony and exhibits that provide further support for GMG's request.

15

16 Q. Was your testimony, including associated schedules and exhibits, prepared by you or  
17 under your direction?

18 A. Yes, it was.

19

20 II. BACKGROUND

21 Q. Please provide a brief overview of GMG.

22 A. GMG is a natural gas distribution company that is wholly owned by Greater Minnesota  
23 Synergy, Inc., an investor-owned company. GMG has 25 employees that serve  
24 approximately 11,000 customers in Minnesota, primarily in rural areas. Approximately  
25 1,200 of the customers are commercial or agricultural customers. GMG has service  
26 centers located in Faribault, Swanville, and Detroit Lakes. The Company provides

1 service to portions of and/or areas near Mankato, Elko/New Market, Montgomery, Eagle  
2 Lake, Faribault, Owatonna, Hope, the Prairie Island Indian Community, Swanville,  
3 Upsala, Grey Eagle, and Detroit Lakes.

4  
5 Q. What guiding principles inform the Company's provision of natural gas service in  
6 Minnesota?

7 A. GMG strives to provide safe and reliable natural gas to customers, and to bring the  
8 economic benefits of natural gas to rural areas that have not historically had access to it.  
9 GMG has done this while maintaining focus on its customers by managing costs to keep  
10 rates affordable, as evidenced by not requesting a rate increase for the past 15 years.  
11 During that period, GMG identified and pursued efficiencies and innovations, reduced  
12 safety risks through its Distribution Integrity Management Program ("DIMP") and other  
13 methods, installed facilities to increase reliability to customers, and increased focus on  
14 environmental stewardship. I will discuss some of the work GMG is doing in these areas  
15 and how that work is reflected in this rate case.

16  
17 Safety and Reliability

18 Q. What does GMG do to ensure safety expectations are met?

19 A. GMG is committed to keeping its customers, employees, and the general public safe.  
20 The Company uses many methods to seek continuous improvement with regard to  
21 safety, including GMG's DIMP, technology improvements, and participation in industry  
22 training.

23  
24 Q. How has GMG improved safety through the DIMP?

25 A. GMG developed its DIMP to comply with Pipeline and Hazardous Materials Safety  
26 Administration ("PHMSA") rules and regulations. GMG uses the DIMP to identify the

1 highest risk areas and then develops plans to mitigate the risk. Through this process,  
2 GMG has eliminated bridge crossings from its system. The bridge crossings were  
3 identified as being at risk for atmospheric corrosion and potential outside force damage  
4 during flood conditions. Another example is the retirement of an acquired 1955 vintage  
5 steel pipeline segment that had reached the end of its useful life. As a result, GMG's  
6 oldest pipelines are 1995 vintage.

7  
8 Q. Does GMG have other pipeline replacement projects scheduled?

9 A. No. GMG's pipeline system does not contain vintage pipe with known manufacturing or  
10 construction defects that have been identified as a safety risk, so GMG does not have  
11 any programmatic pipe replacements planned.

12  
13 Q. How has GMG integrated technology to improve safety?

14 A. GMG has implemented technology to improve safety throughout the business.  
15 First, automatic meter reading ("AMR") was installed, which significantly reduced  
16 employee exposure to dog bites, which had been the most common cause of employee  
17 injury at the Company. Since the project was completed in 2017, there have not been  
18 any GMG employee injuries due to dog bites. The project also greatly increased  
19 efficiency. Prior to the AMR project, the Company employed two full-time dedicated  
20 meter readers. Now, the Company no longer has full-time meter readers and is able to  
21 better utilize its operations personnel. Technicians are able to read meters in a fraction of  
22 the time by using AMR, despite the fact that the number of meters have more than  
23 quadrupled since GMG's previous general rate case, Docket No. G-022/GR-09-962.

24  
25 GMG has also implemented Flow GIS software, which helps improve safety in several  
26 ways. GMG collects GPS coordinates of its pipelines after installation, which are brought



1 into the software so that employees and contractors can see the maps when performing  
2 line locating. Also, the software is used to manage the safety inspection and leak survey  
3 schedules and documentation required by federal code.

4  
5 The Company also installed electronic monitoring systems to provide automatic alerts if  
6 appropriate. GMG has electronic monitoring and alarms installed at regulator stations  
7 and other critical points on its systems, so that abnormal operating conditions can be  
8 identified and corrected promptly.

9

10 Q. How does GMG ensure employees are qualified to safely operate the natural gas  
11 distribution system?

12 A. As a small company, GMG does not have a dedicated training department. GMG has  
13 been successful in hiring key employees with previous industry experience, and the  
14 Company relies on two industry organizations for much of its specialized training, MEA  
15 Energy and the American Gas Association (“AGA”). GMG is active in both organizations  
16 and sends employees to training courses to stay current with industry best practices.  
17 GMG has been recognized for its safety performance by both organizations. In 2017,  
18 GMG received MEA Energy’s Accident Prevention Award for Small Companies. GMG  
19 received AGA’s Safety Achievement Award for Small Local Distribution Companies in  
20 2018, 2020, and 2021. GMG also received AGA’s Fleet Safety Achievement Award for  
21 small distribution companies in 2018, 2020, and 2021.

22  
23 Q. In addition to DIMP related investments, is the Company making other investments  
24 related to safety and reliability?

25 A. Yes. GMG has seen significant customer growth since its previous rate case, which  
26 caused the need to upgrade existing town border stations where GMG connects to

1 interstate pipelines to allow for increased flow to support that customer growth. The  
2 Company has also added additional town border stations to provide multiple sources of  
3 gas to systems where doing so is feasible. GMG has prioritized town border station  
4 upgrades based on reviews conducted by its engineering and field personnel and has  
5 steadily upgraded its town border stations over the years by adding line heaters and  
6 replacing under-sized regulators with larger capacity models. GMG has also started  
7 replacing obsolete odorizers because replacement parts are no longer available for  
8 them. GMG budgets for these types of improvements each year and it is anticipated that  
9 this will continue, since five of GMG's thirteen town border stations are still in need of  
10 some type of upgrade or modernization work.

#### 11 12 Environmental Stewardship

13 Q. What has GMG done to demonstrate its commitment to environmental stewardship?

14 A. GMG shows commitment to environmental stewardship by taking action to reduce  
15 emissions. GMG promptly repairs leaks and strives to achieve zero active leaks at the  
16 end of each year whenever possible, which was achieved in 2023. Additionally, when  
17 GMG performs town border station upgrades as discussed above, relief valves that emit  
18 natural gas to provide overpressure protection in an abnormal operating condition are  
19 being replaced with backup regulators that do not emit gas into the atmosphere as the  
20 primary overpressure protection method. GMG has also purchased more sensitive leak  
21 detection equipment since its previous rate case. These actions have been effective as  
22 shown by the low lost and unaccounted for gas totals reported annually in the  
23 Company's Automatic Adjustment Report.

24  
25 GMG, like other regulated utilities, also has a conservation improvement program that  
26 helps customers save energy and money. In addition, GMG has a pending

1 miscellaneous tariff petition to add renewable natural gas (“RNG”) interconnection  
2 service that would allow RNG producers to upgrade their produced natural gas to  
3 pipeline quality and inject it into GMG’s pipeline system, allowing for productive use of  
4 gas that would otherwise escape to the atmosphere.

5  
6 III. OVERVIEW OF THE RATE REQUEST AND RATE FILING

7 Q. Please summarize GMG’s request in this proceeding.

8 A. GMG requests the Minnesota Public Utilities Commission (“Commission”) approve an  
9 overall rate increase of 7.7 percent, or approximately \$1.4 million, to GMG’s retail natural  
10 gas rates. This reflects a return on equity (“ROE”) of 10 percent, which is the same ROE  
11 approved by the Commission in the Company’s last rate case in Docket No. G022/GR-  
12 09-962.

13  
14 Q. Please describe the basic approach used in preparing this rate change request.

15 A. This proceeding uses a calendar year Test Year, based on a Test Year of January 1  
16 through December 31, 2025. In addition to the specific rate changes identified in this  
17 proceeding, GMG is also proposing the addition of an annually adjusted rider for income  
18 taxes.

19  
20 As more fully discussed in Robin Burke’s testimony, the Company’s Test Year operating  
21 revenue and expense calculations predicated the Base Year ending December 31, 2023,  
22 and the Projected Current Year ending on December 31, 2024, which uses actual  
23 financial data through August 31, 2024 and projected financial data for September  
24 through December 2024. Any necessary adjustments to the actual data were made to  
25 reflect normal operations for the regulated utility portion of the business. The data was  
26 then adjusted to reflect known changes in operating conditions and inflation for the Test

1 Year, along with projections for the number of customers and gas usage as well as  
2 known and measurable changes in costs from the actual historical financial information.  
3 Similarly, the Company's Test Year rate base calculations began with the actual net plant  
4 and other rate base balances as of December 31, 2023. Capital additions and  
5 retirements, along with projected changes in the non-plant rate base components were  
6 forecasted in order to develop the projected rate base for the Test Year.

7  
8 Q. What is driving the need for GMG to request a rate change at this time?

9 A. The primary financial drivers for the rate request are increased capital investment and  
10 the increased cost of service (including return, depreciation expense, taxes, and  
11 operation and maintenance expenses). Since GMG's last rate case fifteen years ago,  
12 the Company has worked to grow GMG and add customers to increase revenue and  
13 allow the Company to spread fixed costs over a larger number of units. In recent years,  
14 higher interest rates and inflation have slowed customer growth for the Company. That,  
15 coupled with warmer than normal temperatures, changes in customer usage, and very  
16 low levels of grain drying, has caused a significant under-recovery. While GMG does not  
17 expect a steep increase in capital investment, GMG believes that continuing to  
18 modernize its town border stations is prudent to maintain safety and reliability for GMG's  
19 customers. Additionally, the original AMR units' built-in, non-replaceable batteries are  
20 starting to fail, and GMG will need to replace those AMR units as they reach the end of  
21 their lifecycles.

22  
23 Q. What is the Company's revenue deficiency for the 2025 Test Year?

24 A. GMG's projected revenue deficiency for 2025 is \$1,422,431.

1 Q. What is the change in property tax expenses since GMG's previous rate case?

2 A. GMG's annual property tax expense has increased approximately \$470,000 since the  
3 last proceeding.

4

5 Q. What is the change in income tax expenses since the last proceeding?

6 A. GMG's 2009 rate case was filed after years where the Company was not profitable, so  
7 the Test Year income taxes were (\$149,607) due to net operating losses carried forward  
8 from previous years. In 2023, GMG paid \$334,000 of income tax, so the net increase in  
9 income tax and as a result, operating expense, for the year is about \$483,000.

10

11 Q. Why is GMG proposing an annually adjusted rider for income taxes?

12 A. Due to GMG's relatively small size, the impact of simply prosecuting a rate case is quite  
13 substantial as it relates to the requested increase; thus, allowing GMG to implement a  
14 rider that is adjusted yearly based on its actual income tax rate provides an efficient  
15 solution to address the impact of income tax changes without rate payers incurring  
16 additional rate case costs. With United States presidential candidates from both major  
17 parties campaigning on changing corporate tax rates, it seems likely that federal  
18 corporate income tax rates may change next year and, quite possibly, thereafter. A  
19 corporate tax rate change, whether up or down, would impact the Company's cost of  
20 service. If the tax rate changes from the current rate of 21% to the 28% rate proposed by  
21 one of the candidates, GMG would almost certainly need to file another rate request  
22 unless the proposed income tax rider to account for actual tax rates is implemented. If  
23 the tax rate decreases, GMG's ratepayers would see the benefit right away, without  
24 waiting for another rate change proceeding.

1 Q. How would GMG's proposed income tax rate rider be implemented?

2 A. GMG proposes that it would submit an annual filing to the Commission on or before  
3 November 1<sup>st</sup> of each year, beginning in 2025. The filing would identify GMG's income  
4 taxes calculated at the existing tax rate as well as the tax rate that was used for the Test  
5 Year. The difference in taxes between the two calculations would be divided by budgeted  
6 sendout volume for the forthcoming year to identify the annual rider amount per  
7 dekatherm. The rider amount (whether a charge or a credit) would then be applied to  
8 customer bills beginning in the January billing cycle of the following year to account for  
9 the income tax difference. All customers would incur the same tax rate rider per  
10 dekatherm used. Any over- or under- collection of the income tax rider from the prior  
11 year would also be identified in the November 1 filing and accounted for in the rider  
12 adjustment for the forthcoming year.

13

14 Q. Has the Company's overall need to invest in its system remained relatively constant in  
15 the recent past?

16 A. No; however, the portion of capital expenditure related to system improvements,  
17 including town border station upgrades, system reinforcements, and DIMP work has  
18 remained relatively constant in the recent past. GMG expects to continue to invest in  
19 these types of improvements at approximately the same level going forward. Capital  
20 investment due to expansion projects and relocations due to public improvements are  
21 more sporadic for GMG and can vary significantly from year to year.

22

23 Q. The Company has not filed a rate change request since 2009. Do you expect to wait  
24 another 15 years before your next rate request?

25 A. GMG recognizes the importance of keeping rates low, while providing safe and reliable  
26 service. The Company continues to follow the same model that it has over the years,

1 where adding additional customers to increase revenue has offset the increasing cost of  
2 service. While the future growth is uncertain, GMG believes that the requested rate  
3 adjustment, coupled with the ability to adjust annually for actual income tax rates,  
4 provides the best opportunity to lengthen the period between rate cases. GMG believes  
5 that this structure is in the best interest of the customers because, due to the Company's  
6 small size, rate case prosecution costs are expected to comprise a substantial portion of  
7 the rate increase request.

8  
9 Q. Does the Company propose any rate design changes in this proceeding?

10 A. No. GMG proposes to increase all facility fees and distribution charges for rate classes  
11 by the same percentage rate.

12  
13 Q. Has GMG petitioned the Commission for interim rates pending a final decision in this  
14 filing?

15 A. Yes. GMG has petitioned for an interim rate increase of \$1,422,431, or 7.7 percent, in  
16 this filing. The proposed interim rate increase applies to all rate classes on a uniform  
17 basis consistent with GMG's existing rate design. GMG respectfully requests that interim  
18 rates commence January 1, 2025.

19  
20 Q. Who are the other witnesses testifying for GMG and what topics will they discuss.

21 A. GMG's Chief Executive Officer, Greg Palmer, will offer testimony and sponsor  
22 evidentiary schedules regarding the Company's capital structure and cost of debt.  
23 GMG's Corporate Controller, Robin Burke, will offer testimony and sponsor evidentiary  
24 schedules regarding the Company's finances, capital planning, rate base, operating  
25 revenues and expenses, taxes, forecasting, and rate structure and design.

26

1 IV. COMPLIANCE INFORMATION

2 Q. Please discuss how GMG has ensured this filing complies all applicable regulatory  
3 requirements.

4 A. The Company identified each requirement, assigned responsibility for completing the  
5 requirement, and verified through proof-reading and cross-checking that the information  
6 provided meets the requirements.

7

8 Q. Please identify where each of the required items is located in GMG's submission.

9 A. A completeness matrix that identifies each regulatory requirement and the corresponding  
10 location where it is met in GMG's filing is attached hereto as Exhibit CJC-1.

11

12 V. CONCLUSION

13 Q. Does this conclude your direct testimony?

14 A. Yes, it does.



Minnesota Rules, Part	Required Information	Location by Section and Page of Application
7825.2700, Subp. 2	<p>New Base Cost of Gas</p> <p>A new base gas cost must be submitted as a miscellaneous rate change to coincide with the implementation of interim rates during a general rate proceeding.</p>	Filed contemporaneously in Docket No. G022/MR-24-351
7829.2400	<p>Filing requiring determination of gross revenue</p> <p>(1) A utility filing a general rate case or other filing that requires determination of its gross revenue requirement shall include, on a separate page, a brief summary of the filing, sufficient to apprise potentially interested parties of its nature and general content.</p> <p>(2) A utility filing a general rate change request shall serve copies of the filing on the department and Residential Utilities Division of the office of the Attorney General. The utility shall serve the filing or the summary described in subpart 1 on the persons on the applicable general service list and persons who were parties to its last general rate case or incentive plan proceeding.</p> <p>(3) A utility seeking a general rate change shall give notice of the proposed change to the governing body of each municipality and county in its service area and to its ratepayers. The utility shall also publish notice of the proposed change in newspapers of general circulation in all county seats in its service area.</p>	<p>Volume 1 - General Rate Petition</p> <p>Summary of Filing</p> <p>Transmittal Letter and Certificate of Service</p> <p>Notice of Changes in Rates, p. 3-4, proposed Notice Counties and Municipalities, and Proposed Customer Bill Message</p>
7825.3200	<p>Notice of Change in Rates</p> <p>A utility filing for a change in rates shall serve notice to the commission at least 90 days prior to the proposed effective date of the modified rates. Such notice shall include the items prescribed below for:</p> <p>(A) General rate changes:  (1) Proposal for change in rates as prescribed in part 7825.3500;  (2) Modified rates as prescribed in part 7825.3600;  (3) Expert opinions and supporting exhibits as prescribed in 7825.3700;  (4) Informational requirements as prescribed in parts 7825.3800 to 7825.4400; and  (5) Statement indicating the method of insuring the payment of refunds as prescribed in part 7825.3300</p>	<p>Volume 1 - General Rate Petition Materials</p> <p>Notice of Changes in Rates. References to parts 7825.3600, 7825.3700, 7825.3800-4400, and 7825.3300 are detailed below.</p>
7825.3300	<p>An unqualified agreement, signed by an authorized official of the utility, to refund to the customers or credit to customers' accounts within 90 days from the effective date of the commission order any portion of the increase in rates determined to be unreasonable together with interest at the average prime interest rate computed from the effective date of the proposed rates through the date of refund or credit.</p>	<p>Volume 1 - General Rate Petition, Agreement and Undertaking</p> <p>(copy included in Volume 4, Interim Rate Petition and Materials)</p>
7825.3500	<p>General Information</p> <p>The utility's proposal for a change in rates shall summarize the notice of change in rates and shall include the following information:</p> <p>(A) name, address, and telephone number of the utility without abbreviation and the name and address and telephone number of the attorney for the utility, if there be one;</p> <p>(B) date of filing and date modified rates are effective;</p> <p>(C) description and purpose of the change in rates requested;</p> <p>(D) effect of the change in rates expressed in gross revenue dollars and as a percentage of test year gross revenue; and</p> <p>(E) signature and title of utility officer authorizing the proposal.</p>	<p>Volume 1 - General Rate Petition</p> <p>Notice of Changes in Rates, p. 1</p> <p>Notice of Changes in Rates, p. 1</p> <p>Notice of Changes in Rates, p. 2</p> <p>Notice of Changes in Rates, p. 2</p> <p>Notice of Changes in Rates, p. 4</p>
7825.3600	<p>Revised or new pages to the rate book previously filed with the commission and by identifying those pages which were not changed. In addition, each revised page shall contain the revision number and the page number of the revised page.</p>	<p>Volume 1 - General Rate Petition, Appendix contains changes pages. Remainder of pages remain unchanged.</p>
7825.3700	<p>Expert opinions and supporting exhibits shall include written statements, in question and answer format, together with supporting exhibits of utility personnel and other expert witnesses as deemed appropriate by the utility in support of the proposal.</p>	<p>Volume 2 - Testimony and Exhibits containing testimony of three (3) witnesses</p>

Minnesota Rules, Part	Required Information	Location by Section and Page of Application
7825.3900	<p>Supporting Exhibits</p> <p>A jurisdictional financial summary schedule as required by part 7825.3800 shall be filed showing:</p> <p>(A) the proposed rate base, operating income, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the test year;</p> <p>(B) the actual unadjusted average rate base consisting of the same components as the proposed rate base, unadjusted operating income, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the most recent fiscal year; and</p> <p>(C) the projected unadjusted average rate base consisting of the same components as the proposed rate base, unadjusted operating income under present rates, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the projected fiscal year.</p>	Volume 3 - Statement A, Schedule A-1
7825.4000	<p>The following rate base schedules as required by part 7825.3800 shall be filed:</p> <p>(A) A rate base summary schedule by major rate base component (e.g. plant in service, construction work in progress, and plant held for future use) showing the proposed rate base, the unadjusted average rate base for the most recent fiscal year and unadjusted average rate</p> <p>(B) A comparison of total utility and Minnesota jurisdictional rate base amounts by detailed rate base component showing:</p> <p>(1) total utility and the proposed jurisdictional rate base amounts for the test year including the adjustments, if any, used in determining the proposed rate base;</p> <p>(2) the unadjusted average total utility and jurisdictional rate base amounts for the most recent fiscal year and the projected fiscal year.</p> <p>(C) Adjustment schedules, if any, showing the title, purpose, and description and the summary calculations of each adjustment used in determining the proposed jurisdictional rate base.</p> <p>(D) A summary by rate base component of the assumptions made and the approaches used in determining average unadjusted rate base for the projected fiscal year. Such assumptions and approaches shall be identified and quantified into two categories: known changes from the most recent fiscal year and projected changes.</p> <p>(E) For multi-jurisdictional utilities only, a summary by rate base component of the jurisdictional allocation factors used in allocating the total utility rate base amounts to the Minnesota jurisdiction. This summary shall be supported by a schedule showing for each allocation factor the total utility and jurisdictional statistics used in determining the proposed rate base and the Minnesota jurisdictional rate base for the most recent fiscal year and the projected fiscal year</p>	<p>Volume 3 - Statements A through F Statement B; Schedule B-1</p> <p>Statement B; Schedule B-1</p> <p>Statement B; Schedule B-2</p> <p>Statement B; Schedule B-2</p> <p>Schedules B-4 through B-9</p> <p>Statement B</p> <p>Not Applicable, as GMG is not a multi-jurisdictional utility</p>
7825.4100	<p>The following operating income schedules as required by part <del>7825.3800</del> shall be filed:</p> <p>(A) A summary schedule of jurisdictional operating income statements which reflect proposed test year operating income, and unadjusted jurisdictional operating income for the most recent fiscal year and the projected fiscal year calculated using present rates.</p> <p>(B) For multijurisdictional utilities only, a schedule showing the comparison of total utility and unadjusted jurisdictional operating income statement for the test year, for the most recent fiscal year and the projected fiscal year. In addition, the schedule shall provide the proposed adjustments, if any, to jurisdictional operating income for the test year together with the proposed operating income statement.</p> <p>(C) For investor-owned utilities only, a summary schedule showing the computation of total utility and allocated Minnesota jurisdictional federal and state income tax expense and deferred income taxes for the test year, the most recent fiscal year, and the projected fiscal year. This summary schedule shall be supported by a detailed schedule, showing the development of the combined federal and state income tax rates.</p> <p>(D) A summary schedule of adjustments, if any, to jurisdictional test year operating income and detailed schedules for each adjustment providing an adjustment title, purpose and description of the adjustment, and summary calculations.</p> <p>(E) A schedule summarizing the assumptions made and the approaches used in projecting each major element of operating income. Such assumptions and approaches shall be identified and quantified into two categories: known changes from the most recent fiscal year and projected changes.</p> <p>(F) For multijurisdictional utilities only, a schedule providing, by operating income element, the factor or factors used in allocating total utility operating income to Minnesota jurisdiction. This schedule shall be supported by a schedule which sets forth the statistics used in determining each jurisdictional allocation factor for the test year, the most recent fiscal year, and the projected fiscal year.</p>	<p>Volume 3 - Statements A through F Statement C</p> <p>Not Applicable, as GMG is not a multi-jurisdictional utility</p> <p>Statement C; Schedule C-5</p> <p>Statement C</p> <p>Statement C</p> <p>Not Applicable, as GMG is not a multi-jurisdictional utility</p>

Minnesota Rules, Part	Required Information	Location by Section and Page of Application
7825.4200	<p>The following rate of return cost of capital schedules as required by part <u>7825.3800</u> shall be filed:</p> <p>(A) A rate of return cost of capital summary schedule showing the calculation of the weighted cost of capital using the proposed capital structure and the average capital structures for the most recent fiscal year and the projected fiscal year. This information shall be provided for the unconsolidated parent and subsidiary corporations, or for the consolidated parent corporation.</p> <p>(B) Supporting schedules showing the calculation of the embedded cost of long-term debt, if any, and the embedded cost of preferred stock, if any, at the end of the most recent fiscal year and the projected fiscal year.</p> <p>(C) Schedule showing average short-term securities for the proposed test year, most recent fiscal year, and the projected fiscal year.</p>	<p>Volume 3 - Statements A through F</p> <p>Statement D</p> <p>Statement D; Schedule D-2</p> <p>Statement D; Schedule D-4</p>
7825.4300	<p>The following rate structure and design information as required by part <u>7825.3800</u> shall be filed:</p> <p>(A) A summary comparison of test year operating revenue under present and proposed rates by customer class of service showing the difference in revenue and the percentage change.</p> <p>(B) A detailed comparison of test year operating revenue under present and proposed rates by type of charge including minimum, demand, energy by block, gross receipts, automatic adjustments, and other charge categories within each rate schedule and within each customer class of service.</p> <p>(C) A cost-of-service study by customer class of service, by geographic area, or other categorization as deemed appropriate for the change in rates requested, showing revenues, costs, and profitability for each class of service, geographic area, or other appropriate category, identifying the procedures and underlying rationale for cost and revenue allocations. Such study is appropriate whenever the utility proposes a change in rates which results in a material change in its rate structure.</p>	<p>Volume III – Statements A through F</p> <p>Statement E; Schedule E-1</p> <p>Statement E; Schedule E-1</p> <p>Statement E; Schedule E-2</p>
7825.4400	<p>The following supplemental information as required by part <u>7825.3800</u> shall be filed:</p> <p>(A) Annual report to stockholders or members including financial statements and statistical supplements for the most recent fiscal year. If a utility is not audited by an independent public accountant, unaudited financial statements will satisfy this filing requirement.</p> <p>(B) For investor-owned utilities only, a schedule showing the development of the gross revenue conversion factor.</p> <p>(C) For cooperatives only, REA Form 7, Financial and Statistical Report for the last month of the most recent fiscal year.</p> <p>(D) For cooperatives only, REA Form 7A, Annual Supplement to Financial and Statistical Report.</p> <p>(E) For cooperatives only, REA Form 325, Financial Forecast.</p>	<p>Volume III – Statements A through F</p> <p>Statement F; Schedule F-1 (Trade Secret and Public Copies Filed)</p> <p>Statement F; Schedule F-2</p> <p>Not Applicable, as GMG is not a cooperative.</p> <p>Not Applicable, as GMG is not a cooperative.</p> <p>Not Applicable, as GMG is not a</p>
7829.0400	Service and Filing Requirements	Transmittal Letter and Volume 1
Subp. 1	Filings must be made in a manner consistent with the filing requirements of Minnesota Statutes, section 216.17, subdivision 3, and must be directed to the attention of the executive secretary.	Transmittal Letter
Subp. 3	Filings must be accompanied by proof of service on the persons on the appropriate service list.	Certificate of Service and Service List
Subp. 4	Filings must identify the nature of the filing as briefly as possible and indicate that the matter is before the Minnesota Public Utilities Commission. Filings must be on 8 1/2 x 11 inch paper, unless the executive secretary authorizes a non conforming filing for good cause shown.	Volumes 1 through 4
§216B.16, subd 1 - Notice	<p>Subd 1. Notice</p> <p>Unless the commission otherwise orders, no public utility shall change a rate which has been duly established under this chapter, except under 60 days' notice to the commission. The notice shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect.</p> <p>If the filing utility does not have an approved energy conservation improvement plan on file with the department, it shall also include in its notice an energy conservation plan pursuant to section 216B.241. A filing utility subject to rate regulation under section 216B.026 shall reference in its notice the energy conservation improvement programs to members of the filing utility pursuant to section 216B.241.</p> <p>The filing utility shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected.</p> <p>All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.</p>	<p>Volumes 1 through 3</p> <p>Notice of Changes in Rates</p> <p>Testimony</p> <p>Financial Information</p> <p>Not applicable, as GMG has an approved its approved Energy Conservation and Optimization ("ECO") Plan, formerly known as its Conservation Improvement Plan ("CIP")</p> <p>Proposed Notices</p> <p>Volume 1, Appendix</p>

Minnesota Rules, Part	Required Information	Location by Section and Page of Application
§216B.16, subd 3(b) - Interim Rates	<p>Subd 3. Interim Rates</p> <p>(b) Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test year cost of capital, rate base, and expenses, except that it shall include:</p> <p>(1) a rate of return on common equity for the utility equal to that authorized by the commission in the utility's most recent rate proceeding;</p> <p>(2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the utility's most recent rate proceeding; and</p> <p>(3) no change in the existing rate design. In the case of a utility which has not been subject to prior commission determination, the commission shall base the interim rate schedule on its most recent determination concerning a similar utility.</p>	Volume 4 - Interim Rate Petition and Materials
§216B.16, subd 6(a) - CWIP	<p>Subd 6(a). Construction work in progress</p> <p>To the extent that construct work in progress is included in the rate base, the commission shall determine in its discretion whether and to what extent the income used in determining the actual return on the public utility property shall include an allowance for funds used during construction, considering the following factors:</p> <p>(1) The magnitude of the construction work in progress as a percentage of the net investment rate base;</p> <p>(2) The impact on cash flow and the utility's capital costs;</p> <p>(3) The effect on consumer rates;</p> <p>(4) Whether it confers a present benefit upon an identifiable class or classes of customers; and</p> <p>(5) Whether it is of a short-term nature or will be imminently useful in the provision of utility service</p>	Not Applicable, as CWIP is not included in rate base.
§216B.16, subd 6(b); Energy conservation improvement	<p>Subd. 6(b). Energy conservation improvement.</p> <p>(a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph (h), incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.</p>	Volume III – Statements A through F Statement C
§216B.16, subd 9; Charitable contribution	The commission shall allow as operating expenses only those charitable contributions that the commission deems prudent and that qualify under section 300.66, subdivision 3. Only 50 percent of the qualified contributions are allowed as operating expenses.	Not applicable, as GMG did not include any charitable contributions; Testimony of Robin D. Burke

Minnesota Rules, Part	Required Information	Location by Section and Page of Application
§216B.16, subd 17; Travel, entertainment and related employee expenses	<p>Subd. 17. Travel, entertainment, and related employee expenses.</p> <p>(a) The commission may not allow as operating expenses a public utility's travel, entertainment, and related employee expenses that the commission deems unreasonable and unnecessary for the provision of utility service. In order to assist the commission in evaluating the travel, entertainment, and related employee expenses that may be allowed for ratemaking purposes, a public utility filing a general rate case petition shall include a schedule separately itemizing all travel, entertainment, and related employee expenses as specified by the commission, including but not limited to the following categories:</p> <p>(1) travel and lodging expenses;  (2) food and beverage expenses;  (3) recreational and entertainment expenses;  (4) board of director-related expenses, including and separately itemizing all compensation and expense reimbursements;  (5) expenses for the ten highest paid officers and employees, including and separately itemizing all compensation and expense reimbursements;  (6) dues and expenses for memberships in organizations or clubs;  (7) gift expenses;  (8) expenses related to owned, leased, or chartered aircraft; and  (9) lobbying expenses.</p> <p>(b) To comply with the requirements of paragraph (a), each applicable expense incurred in the most recently completed fiscal year must be itemized separately, and each itemization must include the date of the expense, the amount of the expense, the vendor name, and the business purpose of the expense. The separate itemization required by this paragraph may be provided using standard accounting reports already utilized by the utility involved in the rate case, in a written format or an electronic format that is acceptable to the commission. For expenses identified in response to paragraph (a), clauses (1) and (2), the utility shall disclose the total amounts for each expense category and provide separate itemization for those expenses incurred by or on behalf of any employee at the level of vice president or higher and for board members. The petitioning utility shall also provide a one-page summary of the total amounts for each expense category included in the petitioning utility's proposed test year</p> <p>(c) Except as otherwise provided in this paragraph, data submitted to the commission under paragraph (a) are public data. The commission or an administrative law judge assigned to the case may treat the salary of one or more of the ten highest paid officers and employees, other than the five highest paid, as private data on individuals as defined in section 13.02, subdivision 12, or issue a protective order governing release of the salary, if the utility establishes that the competitive disadvantage to the utility that would result from release of the salary outweighs the public interest in access to the data. Access to the data by a government entity that is a party to the rate case must not be restricted.</p>	Volume 2; Testimony of Robin D. Burke; Exhibit RDB-1
Policy Statement, Advertising	<p>Statement that recovery is requested only for permitted advertisements.</p> <p>Description of advertisements for which recovery is requested.</p> <p>Sample advertisements for which recovery is requested.</p>	Volume 2, Testimony of Robin D. Burke; Exhibit RDB-2
Policy Statement, Charitable Contributions	Evidence as to whether the recipients of the contributions: serve the utility's Minnesota service area; are nondiscriminatory in selecting recipients; and do not promote political or special interest groups. Evidence as to what organizations are gifted, their activities, and that no part of the contribution goes to benefit any private stockholder or individual. Only 50% of qualified contributions shall be allowed as operating expenses.	Not applicable, as GMG did not include any charitable contributions; Volume 2, Testimony of Robin D. Burke
Policy Statement, Organization Dues	Schedule showing each organization being paid, the number of employees belonging to each organization and the dollar amount of dues being paid to each organization; Testimony explaining the primary purpose of each organization.	Volume 2, Testimony of Robin D. Burke, Exhibit RDB-3
Policy Statement, Research Expenses	Description of each research activity for which an expense is claimed, with all expenses for each activity itemized and supported.	Not applicable, as research expenses are not claimed.
Cash Working Capital	Lead/lag study with: 1) lead time divided into service to meter reading; meter reading to billing; and billing to collection; and 2) lag expenses divided in categories such as fuel, purchased power, labor. Other issues may include average or minimum cash balances required, depreciation, dividends and interest on debt.	Volume 3 - Statement B Schedule B-4
G022/GR-06-1148	GMG ordered to provide, in future rate case, customer billing-cycle data sales, number of customers, and weather data.	Volume 3 - Statement G contains customer billing data. GMG does not use weather data in its budgeting process; GMG's billing system does not provide weather data as it relates to customers and GMG did not incorporate specific weather data for Test Year purposes.

Minnesota Rules, Part	Required Information	Location by Section and Page of Application
G022/GR-06-1148	<p>Order requires that in future rate cases, GMG do the following with regard to its Class Cost of Service Study(ies):</p> <ul style="list-style-type: none"> <li>• split the allocation of expenditures for "Land &amp; Land Rights," "Mains," and "Measuring &amp; Regulatory Equipment" between customer and capacity costs based on a minimum distribution study;</li> <li>• use the actual results for the peak day in the test year for determination of the peak day allocation factor;</li> <li>• structure its CCOS so that actual costs for each customer class is determined (not general categories)</li> </ul>	Volume 3 - Statement E; Schedule E-2
G022/GR-09-962	<p>Department requested that GMG billing cycle sales and billing cycle customer data from the Company's AR Reports from January 2005 until the most recent date prior to the rate case filing in addition to other information, if possible, to allow independent verification of any data used by Greater Minnesota, in order to independently analyze the reasonableness of the test-year sales.</p>	<p>GMG provided 5 years of historical data. GMG bases its budgeting on 5 years of data and GMG's growth has leveled in the last 5 years; and GMG bases its budgeting and projections on 5 years of data. GMG's customer base has changed dramatically in the 15 years since its prior rate case. Earlier billing data would not provide meaningful information to analyze the reasonableness of Test Year sales. Additionally, due to the limitations of GMG's prior billing system (replaced in January 2024), older historic data is not available electronically. Production of said billing data would require unduly burdensome manual work to retrieve, review, and collect physical paper data for production. Likewise, it would require manual review by the Department, Staff, and intervenors, all of which would unnecessarily increase GMG's rate case costs, adversely impacting GMG's ratepayers. GMG respectfully requests that the included 5 years of historic billing data be deemed sufficient for purposes of compliance and completeness.</p>
G022/GR-09-962	<p>Department requested in Comments that in future rate cases, GMG do the following for its Class Cost of Service Study(ies):</p> <ul style="list-style-type: none"> <li>• classify and allocate each Distribution-Operation and Maintenance Expenses on the same basis as the relevant basic cost-causing element;</li> <li>• classify and allocate General Plant on the same basis as Plant in Service;</li> <li>• classify and allocate Real Estate Taxes on the same basis as Plant in Service;</li> <li>• classify and allocate Income Taxes on the same basis as Net Taxable Income that fully reflects the CCOS; and</li> <li>• provide an explanatory filing identifying, and describing, each classification and allocation method used in the CCOS and detailing the reasons for concluding that each method is appropriate and superior to other methods considered by the Company. While these explanations could rely, in part, on the Gas Distribution Rate Design Manual of the National Association of Regulatory Utility Commissioners, these explanations should also be based on the Company's specific system requirements (engineering and operating characteristics) and experience.</li> </ul>	<p>GMG retained its class cost of service study design for purposes of the instant proceeding in order to minimize rate case costs. GMG does not own class cost of service study related software and it did not hire a consultant for CCOS. Providing the requested information would be unduly burdensome and would unduly increase rate case expenses, thus adversely impacting ratepayers.</p>
G022/GR-09-962	<p>Department requested that with regard to regulatory expenses in future proceedings, GMG break the regulatory expenses in its test year calculations into two schedules - one for regulatory expenses and one for rate case expenses.</p>	Volume 3 - Statements C and F; Schedule C-3; Schedule F-4
CI-90-563 Order	<p>Commission requested that utilities and Department address issues related to service extension allowances as they related to customer contributions in aid of construction, determination of economic feasibility of extensions, whether service extension policies should be tariffed in number of feet or total dollar amount; and several other items related to service extension policies.</p>	<p>Testimony of Robin D. Burke;</p> <p>Commission is addressing line extension policies in the "Future of Gas Docket", Docket No. G999/CI-21-565; hence, GMG requests that this requirement be removed from future rate case requirements.</p>
CI-90-1008	<p>Utilities with both regulated and non-regulated operations given directive regarding cost allocation between operations.</p>	Not applicable. GMG does not have non-regulated business operations.
M-12-587	<p>Requirements for proposing multi-year rate plan</p>	Not applicable. GMG is not proposing a multi-year rate plan.

Minnesota Rules, Part	Required Information	Location by Section and Page of Application
CI-13-626	Utilities may not use decommissioning probabilities in determining salvage portion of depreciation expense.	Not applicable to GMG. GMG's salvage and depreciation determined by periodic depreciation studies approved by the Commission.
CI-22-624 Order	Utilities are required to maximize the benefit of the Inflation Reduction Act (IRA) in future rate cases and must discuss plan to capture and maximize the benefits from the IRA; impact of IRA on planning assumptions; how benefits were captured and maximized; and assessment of internal resources needed to capture those benefits.	GMG has not identified any IRA opportunities applicable to it. GMG continues to monitor IRA opportunities.
Interim Rates:  Policy Statement	<p>General Information</p> <p>The utility's proposal for interim rates shall include the following information:</p> <p>(1) name, address, and telephone number of the utility and attorneys;</p> <p>(2) date of filing and date proposed interim rates are effective;</p> <p>(3) description of the need for interim rates;</p> <p>(4-5) effect of the change in rates expressed in gross revenue dollars and as a percentage of test year gross revenue; and</p> <p>(6) Certification by officer of the utility.</p> <p>(7) Signature and title of the utility officer authorizing the proposed interim rates</p>	<p>Volume IV - Interim Rate Petition and Materials</p> <p>Petition for Interim Rates, p. 1</p> <p>Petition for Interim Rates, p. 2</p> <p>Petition for Interim Rates, p. 2</p> <p>Petition for Interim Rates, p. 2</p> <p>Certificate Regarding Petition for Interim Rates</p> <p>Petition for Interim Rates, p. 4</p>
	Methods and procedures for refunding.	Volume 4 - Agreement and Undertaking
Items 1-4, page 3	Supporting schedules and workpapers.  Modified tariffs.	Volume 4 - Statement IR and Schedules IR-1 through IR-4 Volume 4 - Appendix

# **TESTIMONY**

Testimony and Exhibit of Gregory H. Palmer  
pursuant to Minn. R. 7825.3700



Direct Testimony  
Mr. Gregory H. Palmer

Before the Public Utilities Commission of  
the State of Minnesota

In the Matter of the Application of  
Greater Minnesota Gas, Inc.  
for the Authority to Increase Rates for  
Natural Gas Utility Service in Minnesota

Docket No. G022/GR-24-350

November 1, 2024

1 I. INTRODUCTION

2 Q. Please state your name and your business address.

3 A. My name is Gregory Palmer. My business address is 1900 Cardinal Lane, Faribault, MN  
4 55021.

5  
6 Q. By whom are you employed?

7 A. I am employed by Greater Minnesota Gas, Inc. ("GMG" or "the Company"), for whom I  
8 am testifying in this proceeding.

9  
10 Q. What are your role and present responsibilities with the Company?

11 A. I am GMG's Chief Executive Officer. In that role, I have operational control over strategy  
12 and execution and I am responsible for setting and executing GMG's organizational  
13 strategy, making decisions about potential new markets, identifying and seizing on  
14 opportunities for the Company, mitigating risks for GMG, and coordinating ways for GMG  
15 to maintain its competitive advantage. I have helped to build and continue to oversee  
16 GMG's executive leadership team at a high level. Additionally, I bear ultimate  
17 responsibility for setting and managing GMG's overall budget to effectively executive  
18 GMG's strategic initiatives; and, I manage how and when to raise funds, how to use  
19 capital, and how to manage the Company's debt.

20  
21 Q. Please describe your educational background, as well as your business and professional  
22 experience.

23 A. I have a Bachelor of Science in Agri Business from the University of Wisconsin River  
24 Falls and a Master of Business Administration from the University of Wisconsin Eau  
25 Claire.

1 I have worked in the energy industry for over 40 years, serving in a variety of roles.

2 Some of the work that is most relevant to the natural gas industry includes:

- 3 • President at Viking Gas Transmission – Viking is an interstate natural gas  
4 transmission Company serving North Dakota, Minnesota, and Wisconsin.
- 5 • Chief Financial Officer at Nuclear Management Company (NMC) – NMC operated  
6 eight nuclear plants in Michigan, Wisconsin, Minnesota and Iowa.
- 7 • Director of Gas Sales and Marketing at Northern States Power (NSP) – In the  
8 position, I oversaw sales, marketing, business development, and conservation  
9 programs for NSP’s natural gas utility operations in Minnesota and North Dakota.
- 10 • Director of Natural Gas Supply and Rates at NSP – In the position, I oversaw the  
11 management of NSP’s natural gas supply portfolio during the deregulation of the  
12 natural gas industry, as well as the administration of NSP’s natural gas rates and  
13 conservation programs.
- 14 • Manager of Natural Gas Rates at NSP – In the position, I oversaw the  
15 administration of NSP’s natural gas rate programs and natural gas conservation  
16 programs, including the rewriting of the Purchased Gas Adjustment rules for the  
17 State of Minnesota as required for the industry deregulation that started in 1978  
18 and continued into the 1980s.
- 19 • Rate Analyst at NSP – The position provided NSP representation at the Federal  
20 Energy Regulatory Commission in proceedings regarding NSP’s interstate pipeline  
21 suppliers and proceedings related to natural gas supply that occurred as a result of  
22 industry deregulation in the 1970s and 1980s.

1 Q. What is the purpose of your testimony in this proceeding?

2 A. My testimony will support the cost of capital used to develop the proposed rates  
3 requested in this proceeding.

4

5 Q. Are you sponsoring any of the evidentiary schedules presented by GMG in this  
6 proceeding?

7 A. Yes. I am sponsoring the Rate of Return and Cost of Capital schedules contained in  
8 Volume 3, Statement D, specifically Schedule D-1 reflecting the rate of return and  
9 Schedule D-2 reflecting the cost of long-term debt.

10

11 Q. Please summarize the capital structure and cost of debt requested by the Company in  
12 this case.

13 A. The Company respectfully asks the Minnesota Public Utilities Commission  
14 (“Commission”) to approve a capital structure composed of approximately 51.08%  
15 common equity, 48.23% long-term debt, and 0.68% short-term debt. In an effort to  
16 minimize the issues in dispute in this proceeding, the Company does not propose any  
17 change to its currently authorized return on equity. The Company proposes using the  
18 same 10% return on equity approved by the Commission in its last rate case, together  
19 with the Company’s projected cost of long-term debt of 5.61%, and its projected cost of  
20 short-term debt of 8% for the Test Year, resulting in an overall weighted average cost of  
21 capital, prior to adjustment for loan guarantees, of 8.005% for the test year. Including  
22 flotation costs, which I discuss below, the overall weighted cost of capital for the test  
23 year is 8.199%.

24

1 For determining cost of capital, I have included the Company's current long-term debt in  
2 the long-term debt category because it is secured under the same Notes as the rest of  
3 the Company's long-term debt.

## 4 5 II. CAPITAL STRUCTURE

6 Q. Why are the capital structure and the cost of capital that will ultimately be approved in  
7 this proceeding important?

8 A. The Company needs the ability to raise capital to provide safe, reliable gas service in  
9 conformance with its tariff. That long-standing principle is well-settled in the utility  
10 industry, having been validated by the U.S. Supreme Court in the *Bluefield Water Works  
11 & Improvement Company v. Public Service Commission of the State of Virginia*<sup>1</sup>, where it  
12 recognized that a public utility is entitled to earn a reasonable return on the value of the  
13 property used for the convenience of the public and explained how to ascertain that  
14 value. The *Bluefield* Court elaborated on what level of return a public utility is entitled to  
15 earn, holding that such a return should be

16 equal to that generally being made at the same time and in the  
17 same general part of the country on investments in other  
18 business undertakings which are attended by corresponding  
19 risks and uncertainties. . . . The return should be reasonably  
20 sufficient to assure the confidence in the financial soundness of  
21 the utility, and should be adequate, under efficient and  
22 economical management, to maintain and support its credit and  
23 enable it to raise the money necessary for the proper discharge  
24 of its public duties.<sup>2</sup>

25  
26 When it considered a similar issue in *Federal Power Commission v. Hope Natural  
27 Gas Company*, the Supreme Court reinforced the principle, holding that returns for public  
28 utilities should be sufficient to cover not only operating expenses, but also the capital

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<sup>1</sup>. *Bluefield Water Works & Improvement Co. v. Publ. Serv. Comm'n.*, 262 U.S. 679, 690 (1923).

<sup>2</sup>. *Id.* at 692-693.

1 costs of the business, which includes debt service and stock dividends; and, the return  
2 should also be commensurate with returns on alternative investments of comparable  
3 risks.<sup>3</sup>

4  
5 Q. Why is the Company's proposed capital structure required to secure capital?

6 A. GMG's proposed capital structure is structured to maintain a reasonable overall cost of  
7 capital used to provide service while ensuring the Company can meet its debt service  
8 covenants and raise capital when necessary.

9  
10 Q. How does the use of debt financing affect GMG's cost of capital?

11 A. The Company's lowest cost source of capital is debt financing. Debt financing has fixed  
12 repayment obligations and lenders require a margin of safety in debt service coverage  
13 requirements to assure they will be repaid. The Company competes with other industries  
14 to attract debt financing and lenders expect the same margin of safety for their loans to  
15 utilities as they can achieve with other industries. While GMG has a stable customer  
16 count, its sales vary significantly with weather, grain drying requirements and, in some  
17 cases, economic conditions such as the slowdown caused by COVID-19, which shut  
18 down many public facilities. GMG's lenders require that GMG maintain a minimum debt  
19 service coverage ratio despite anomalies in market requirements such as those  
20 discussed above.

21  
22 Q. How does the use of equity financing affect GMG's cost of capital?

23 A. To create a margin of safety for loans, lenders require that a portion of the Company's  
24 financing is sourced from equity, which is subordinate to debt financing in terms of

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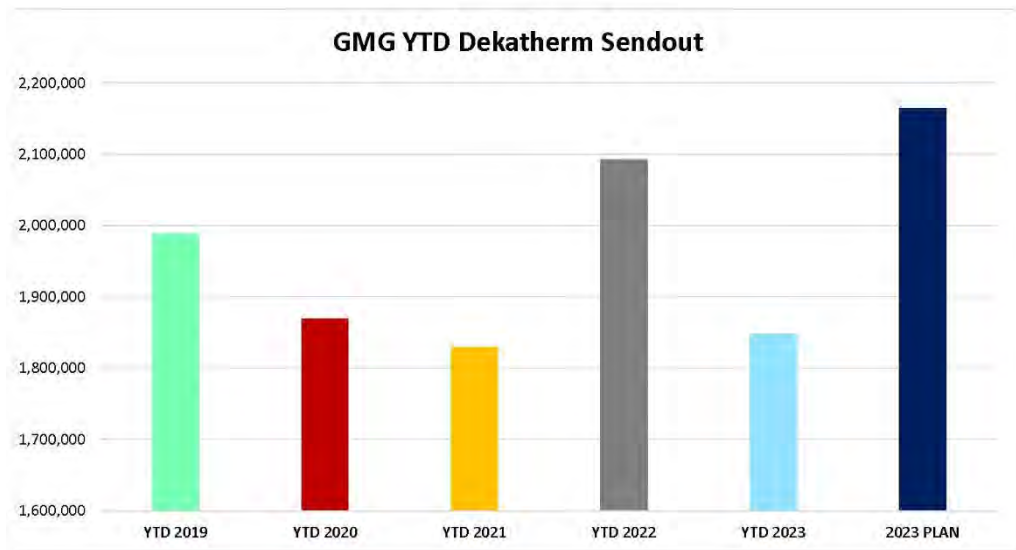
<sup>3</sup> . *Fed. Power Comm'n v. Hope Nat. Gas Co.*, 320 U.S. 591, 603 (1944).

1 access to the Company's cash flow. Returns of and on equity are only available after all  
2 operating costs have been paid, all interest and debt service obligations are met, and all  
3 capital needs are funded.

4  
5 In the natural gas industry, small companies generally need to provide higher rates of  
6 return to attract equity investors, given that it is a riskier investment, as recognized by  
7 the Public Service Commission of Wisconsin in approving rates of return of up to 11% for  
8 companies similar to GMG which is more fully discussed later in my testimony.

9 Regardless of the returns allowed by the Commission in the setting of rates, actual  
10 returns earned by GMG's investors will vary significantly based on weather, grain drying,  
11 and economic conditions, any or all of which can cause actual conditions to vary from  
12 projections. As depicted in the final two columns of Table GHP-1 below, in 2023, GMG's  
13 sendout volume was 316,000 dekatherms below what it planned for when budgeting.

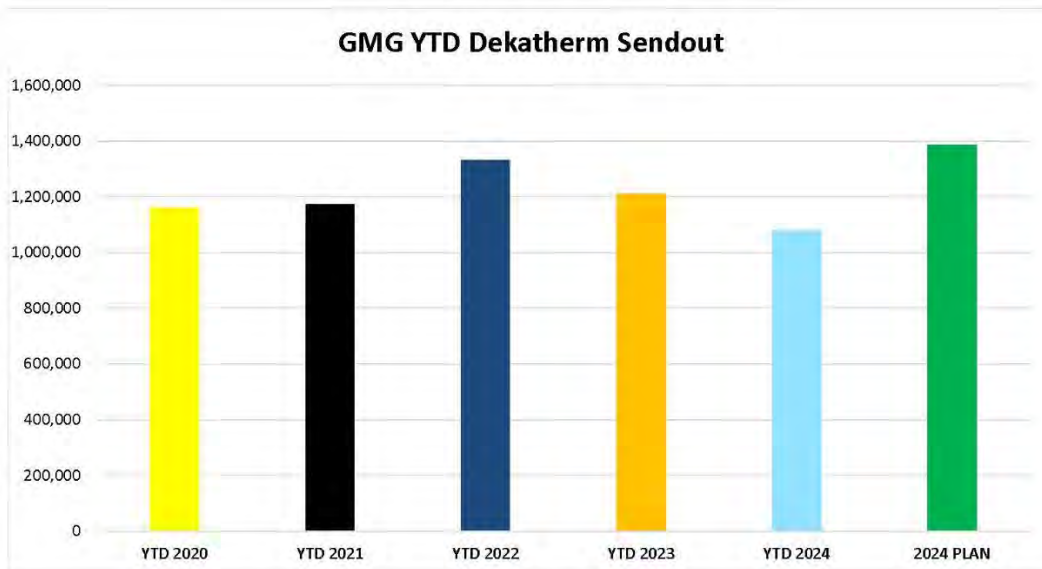
14 Table GHP-1



15 That shortfall equated to a reduction in pretax earnings for the Company of  
16 approximately \$1.25 million. Similarly, in 2024, GMG's sendout volume through  
17

1 September is 308,000 dekatherms below budget due to warmer than normal weather  
2 which is depicted in Table GHP-2.

3 Table GHP-2



4  
5 The sendout shortfall through September 2024 equates to an approximate \$1.23 million  
6 reduction in pretax earnings. These shortfalls, predominately due to warmer than normal  
7 weather and very low levels of grain drying, illustrate the risks of GMG's business and  
8 related risk to its investors.

9  
10 While actual results can vary significantly from projections, investors will only make  
11 equity contributions if there is some opportunity to earn a premium over the returns  
12 available for debt issuance. The conservative 10% return on equity proposed by GMG  
13 (and approved by the Commission in GMG's previous rate case) provides the minimum  
14 premium over debt returns necessary to attract equity investment.

- 15  
16 Q. Are there examples of cost of equity determined by the market in the industry?  
17 A. Yes. Discounted cash flow modelling is normally considered by the Commission and in  
18 public markets when determining the cost of equity. An examination of the current cost of



1 equity for three publicly traded companies is set forth in Exhibit GHP-1 according to  
2 information from The Value Line as published in its October 2024 edition. The cost of  
3 equity for those Companies ranges between 7.25% and 9.98%, with an average cost of  
4 8.23%.

5  
6 Q. Why does the appropriate cost of equity for GMG differ from those reported for the  
7 identified publicly traded companies?

8 A. There are a number of factors, but I will highlight four:

9 1) Lack of Current Dividends – GMG has never paid a dividend. All earnings  
10 of the Company have been reinvested in the company to meet capital  
11 requirements. The capital cost for the publicly traded companies is based on  
12 shareholders receiving dividends in the current year. Dividends for GMG are not  
13 currently being paid, thus there is a risk due to the time value of money and the  
14 ultimate payment of dividends is more uncertain due to the delay.

15 2) Market Risk – GMG was created in 1995. The Company began serving  
16 rural Minnesota and continues to do so. The Company does not serve the major  
17 cities in Minnesota and its largest urban market is on the outer edges of  
18 Mankato. GMG's markets consist primarily of residential customers and  
19 commercial customers tied to the food production industry. These markets tend  
20 to be less stable than large commercial, industrial, or governmental markets  
21 found in the larger cities.

22 3) Small Size – In addition to the small markets served by the Company, the  
23 Company itself is a fraction of the size of other utilities, including the other natural  
24 gas utilities serving in Minnesota. This small size further heightens the  
25 Company's business risks, compared to the larger utilities in Minnesota and  
26 those companies discussed in Exhibit GHP-1.

1           4)     Equity Ratio – The Company’s proposed equity ratio is below that allowed  
2           by the Commission for other utilities in the state. (See, Table GHP-4, set forth  
3           and discussed later in my testimony.) The Commission has identified GMG’s  
4           lower equity ratios as posing risk in the Company’s annual capital structure  
5           dockets. GMG has consistently agreed to raise its equity ratio, and the  
6           Commission has relied on that commitment as part of its rationale for approving  
7           GMG’s capital structure requests.  
8

9     Q.     Are there examples of Commission-allowed returns for smaller energy companies?

10    A.     Yes. The Wisconsin Public Service Commission recently approved an 11% return on  
11       equity with a 60% equity ratio for St. Croix Valley Natural Gas Company.<sup>4</sup> Likewise, it  
12       approved an 11% Return on Equity with a 60% Equity Ratio for Midwest Natural Gas,  
13       Inc.<sup>5</sup> The returns on equity allowed by the Wisconsin PSC recognize the inherently  
14       higher risk of investing in smaller companies; and, they represent determinations  
15       regarding appropriate returns on equity for investments that would generally be made at  
16       the same time and in the same part of the country, as per the *Bluefield* decision,  
17       particularly since each of those companies has service territory within 100 miles of  
18       GMG’s service area.  
19

20    Q.     Does the equity ratio for the public utility companies in Minnesota differ from that  
21       proposed by GMG?

---

<sup>4</sup>.     *Application of St. Croix Valley Natural Gas Company, Inc. for Authority to Increase Rates for Natural Gas Rates*, Docket No. 5230-GR-109, Wis. Publ. Serv. Comm’n., Final Decision (Apr. 24, 2023).

<sup>5</sup>.     *Application of Midwest Natural Gas, Inc. for Authority to Increase Rates for Natural Gas Rates*, Docket No. 3670-GR-106, Wisconsin Publ. Serv. Comm’n., Final Decision (Apr. 27, 2023).

1 A. The equity ratio proposed by GMG is 51.08% equity, which is below the ratios allowed  
2 by the Commission for all but one of the publicly traded companies in Minnesota (See,  
3 Table GHP-4, set forth and discussed later in my testimony.)  
4

5 Q. Does this match the forecasted equity ratio for GMG's Test Year?

6 A, It does, with one exception. The Company has debt with the Small Business  
7 Administration that requires personal guarantees from certain GMG major shareholders.  
8 In the calculation of GMG's capital structure, I have treated this debt as equity, given that  
9 it is provided through shareholder guarantees.  
10

11 Q. Does GMG directly issue equity and debt into the external capital markets?

12 A. No. The sources of equity on the Company's balance sheet are (1) equity contributions  
13 from its parent company and (2) retained earnings from operations. The sources of long-  
14 term debt are promissory notes issued with the bank and with the Small Business  
15 Administration. The table below contains the thirteen-month average debt and equity  
16 ratios that the Company plans to have at the end of the Test Year:  
17

Table GHP-3

Capital Component	Forecasted 13-Month Average (\$Million)	Percentage
Equity	\$21.89	46.66%
Long-Term Debt	\$24.70	52.65%
Short-Term Debt	\$0.32	0.68%
Total	\$47.46	100.00%
<i>Adjusted for Loan Guarantees</i>		
Equity	\$23.96	51.08%
Long-Term Debt	\$22.62	48.23%
Short-Term Debt	\$0.32	0.68%
Total	\$47.46	100.00%

18

1 Q How does this compare to recent decisions by the Commission regarding other utilities?

2 A A table showing the capital structure approved by the Commission in other recent utility  
3 rate cases is provided below. All but one of the utilities was allowed a higher equity ratio  
4 than that proposed by GMG. Since cost of equity exceeds the cost of debt, GMG's  
5 capital cost would increase if the Commission ordered the same capital structure for  
6 GMG that was approved in any of the recent orders.

7 Table GHP-4

	Long-Term Debt	Short-Term Debt	Common Equity
<i>Gas Utilities</i>			
MERC - Dkt. 22-504	42.64%	4.36%	53.00%
Xcel - Dkt 21-678	46.89%	0.61%	52.50%
Great Plains - Dkt.19-511	45.13%	4.05%	50.82%
<i>Gas Average</i>	<i>44.89%</i>	<i>3.01%</i>	<i>52.11%</i>
<i>Electric Utilities</i>			
Xcel - Dkt. 21-630	46.89%	0.61%	52.50%
Minnesota Power - Dkt. 21-335	47.50%	0.00%	52.50%
Otter Tail - Dkt. 20-719	44.65%	2.85%	52.50%
<i>Electric Average</i>	<i>46.35%</i>	<i>1.15%</i>	<i>52.50%</i>

8  
9 Q. Does GMG have any changes to long-term debt cost in the Test Year?

10 A. Yes. GMG has one 5.37% note maturing in April 2025. The Company has projected the  
11 note reset at 7% interest, which is based on the 10-year rate for the Federal Home Loan  
12 Bank of Des Moines plus the basis required by GMG's lender.

13  
14 Q. Does the Company expect to borrow additional long-term debt in the Test Year?

15 A. Yes. GMG expects to issue a \$1.125 million, 7% note with the bank at the end of the  
16 Test Year. The anticipated issuance is not included in the capital structure calculation, as  
17 GMG will not draw a construction loan if the Company can generate sufficient cash  
18 internally.

19

1 III. COST OF DEBT

2 Q. What is GMG's proposed cost of short-term debt?

3 A. The Company's proposed cost of short-term debt is 8% for the 2025 Test Year. This is  
4 less than the 8.25% rate charged by GMG's bank in September 2024.

5

6 Q. What is GMG's projected cost of long-term debt?

7 A. The Company's projected cost of long-term debt is 5.61%.

8

9 Q. How is the projected long-term debt rate determined?

10 A. The proposed rate is GMG's projected cost of long-term debt for the Test Year. The  
11 calculation represents the total annual interest on long-term debt for the year divided by  
12 the average long-term debt on the Company's balance sheet for the Test Year.

13

14 IV. Flotation Cost

15 Q. Are there other costs in GMG's proposed cost of capital?

16 A. Yes. I have included a component called flotation cost. This cost is the cost that  
17 companies incur to issue debt or equity. When issuing debt or equity, companies incur  
18 expenses that must be paid to get the financing but are not available to the company at  
19 the end of the placement. These costs include placement fees, appraisal expenses,  
20 legal fees, and registration fees. These costs must be paid, or companies cannot acquire  
21 capital.

22

23 Q. How did you estimate placement costs?

24 A. I used the estimated placement and appraisal cost from GMG's most recent debt  
25 placement, including appraisal costs. The placement cost was \$20,000. The appraisal

1 cost was \$16,500. The amount of the placement was \$10,900,000. The calculation of  
2 GMG's placement costs is  $(\$20,000 + \$16,500)/\$10,900,000 = 0.33\%$

3

4 V. OVERALL COST OF CAPITAL

5 Q. What is the overall cost of capital requested by the Company in this case?

6 A. The overall cost of capital requested is 8.199% for the Test Year.

7

8 VI. CONCLUSION

9 Q. Does this conclude your direct testimony?

10 A. Yes, it does.

**Cost of Equity Analysis  
for Identified Public Companies  
using  
Constant Growth Discounted Cash Flow**

		"(1)"	"(2)"	"(3)"	"(4)"	"(5)"	"(6)"	"(7)"	"(8)"
			<u>Projected</u>			<u>Expected</u>	<u>Value Line</u>		
			<u>2025</u>			<u>Dividend</u>	<u>Projected EPS</u>	<u>Cost of</u>	<u>Common</u>
<u>Company</u>	<u>Ticker</u>	<u>2024 Annualized</u>	<u>Annualized</u>	<u>Stock</u>	<u>Dividend</u>	<u>Yield</u>	<u>Growth Rate</u>	<u>Equity</u>	<u>Equity Ratio</u>
		<u>Dividend</u>	<u>Dividend</u>	<u>Price</u>	<u>Yield</u>	<u>Yield</u>			
Atmos Energy*	ATO	3.22	3.46	128.64	2.50%	2.69%	7.00%	7.26%	60.00%
Nisource*	NI	1.06	1.12	31.56	3.36%	3.55%	9.50%	9.98%	45.00%
UGI Corp*	UGI	1.52	1.56	23.38	6.50%	6.67%	6.50%	7.13%	45.00%
Average								8.13%	50.00%
Float Cost **								0.10%	
Total Average Cost of Equity								8.23%	

## Calculation Legend:

"(1)" Value Line quoted

"(2)" Value Line quoted

"(3)" Value Line quoted

"(4)" = (1)/(3)

"(5)" = (2)/(3)

"(6)" Value Line quoted

"(7)" = "(4)"x(1+ 0.5x"(6)")+"6"

"(8)" Value Line quoted

Note - (7) adds 0.5 to the period to reflect that dividends are increased over the calendar year to achieve annual average.

\* Data Source: The Value Line 600, October 2024 issue, pp. 222-224

\*\* These large publicly traded companies likely have a lower floatation cost than GMG, so a representative assumed number was used for calculation purposes.

# **TESTIMONY**

Testimony and Exhibits of Robin D. Burke  
pursuant to Minn. R. 7825.3700



Direct Testimony  
Ms. Robin D. Burke

Before the Public Utilities Commission of  
the State of Minnesota

In the Matter of the Application of  
Greater Minnesota Gas, Inc.  
for the Authority to Increase Rates for  
Natural Gas Utility Service in Minnesota

Docket No. G022/GR-24-350

November 1, 2024

I. INTRODUCTION

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26

Q. Please state your name and business address, and position with Greater Minnesota Gas, Inc. (“GMG” or “the Company”).

A. My name is Robin Burke. I am the Corporate Controller for GMG and GMG’s office is located at 1900 Cardinal Lane, Faribault, MN 55021.

Q. Please describe your educational and professional background.

A. I am a Certified Management Accountant with current certification. I received a Bachelor’s Degree in Accounting, Marketing, and Business Administration from Lakeland College, Sheboygan, Wisconsin. Prior to that, I received an Associate’s Degree in Accounting from Wisconsin Indianhead Technical College. I worked as a Senior Accountant and a Principal Business Analyst in the natural gas industry for 18 years prior to becoming the Corporate Controller at GMG. My industry-related experience includes not only general accounting matters, but also covers budgeting and forecasting, cost analysis, capital review, regulatory reporting, and rate case preparation.

Q. Please describe your present responsibilities at GMG.

A. As the Corporate Controller, I am responsible for overseeing the preparation and review of the Company’s financial statements, ensuring that they are accurate, timely, and in compliance with accounting standards; monitoring and managing GMG’s cash flow; developing and maintaining policies and procedures to ensure that GMG’s financial resources are used efficiently and effectively to serve its customers; budgeting and forecasting to create a plan for GMG’s financial resources that aligns with its strategic goals; overseeing regulatory reporting insofar as it relates to GMG’s financial matters, including tax planning and compliance; creating and maintaining internal controls for the financial and accounting team; monitoring fraud prevention within GMG; performing

1 financial risk assessments; and assisting with corporate financial decisions.

2

3 Q. Are you familiar with the books and records of GMG and the manner in which they are  
4 kept?

5 A. Yes. GMG's books and records are kept in accordance with Generally Accepted  
6 Accounting Principles ("GAAP") standards. In this proceeding, data is also displayed in  
7 accordance with the Federal Energy Regulatory Commission ("FERC") Uniform System  
8 of Accounts for reporting purposes.

9

10 Q. What is the purpose of your testimony?

11 A. The purpose of my testimony is to provide a summary of GMG's business operations  
12 and policies from a financial perspective. I will also present testimony and sponsor  
13 schedules of information supporting GMG's request for a general rate increase.

14 Throughout the course of my testimony, I will address the following topics:

- 15 • GMG's forecasting and information used as the foundation for the projected  
16 revenues employed in this proceeding;
- 17 • Presentation of actual financial results regarding the cost of service for the year  
18 ended December 31, 2023 (the "Base Year"), the projected cost of service for the  
19 year ending December 31, 2024 (the "Projected Current Fiscal Year"), and the  
20 projected cost of service for the year ending December 31, 2025 (the "Test Year"),  
21 as well as calculation of the projected revenue deficiency;
- 22 • Compliance with the various statutory and other requirements relevant to this  
23 proceeding including travel, entertainment, and related expenses; the allocation  
24 method applied to corporate charges; recovery of permitted advertising, charitable  
25 contributions, and organizational dues;

- 1 • Discussion regarding GMG’s Class Cost of Service Study (“CCOSS”) and the effect
- 2 of the proposed revenue requirement on GMG’s gas rates;
- 3 • Presentation of gas revenues at GMG’s current rates and the proposed changes to
- 4 the Company’s tariffs;
- 5 • Discussion of the Extension Analysis required by G999/CI-90-563; and
- 6 • Support for the revenue requirement requested in the application for interim rates.

7

8 Q. What specific schedules and exhibits in the filed materials are you sponsoring?

9 A. I am sponsoring the items listed below.

Item Topic	Identifier
Proposed Tariff Sheets	Volume 1, Appendix
Jurisdictional Financial Summary Schedule	Statement A
Revenue Requirements	Schedule A-1
Rate Base Schedules	Statement B
A. Rate Base Summary	Schedule B-1
B. Plant In-Service Projections for Projected Current Year and Test Year	Schedule B-2
C. Depreciation Summaries	Schedule B-3
D. Cash Working Capital	Schedule B-4
E. Contribution in Aid of Construction	Schedule B-5
F. Materials and Supplies	Schedule B-6
G. Prepayments	Schedule B-7
H. Gas Storage Inventory	Schedule B-8
I. Deferred Income Tax Liability	Schedule B-9
Operating Income Schedules	Statement C
A. Operating Income Summary	Schedule C-1
B. Operating Revenue Summary	Schedule C-2
C. Operating Expenses Summary	Schedule C-3
E. Operating Expense Adjustments	Schedule C-4
F. Income Taxes	Schedule C-5
Rate of Return Cost of Capital Schedules	Statement D
C. Interest Rate Expense	Schedule D-3
D. Cost of Short Term Debt	Schedule D-4
Rate Structure and Design	Statement E
A. Present and Proposed Rate Schedules	Schedule E-1
B. Class Cost of Service Study	Schedule E-2
Other Supplemental Information	Statement F
A. Annual Report to Shareholders	Schedule F-1
B. Gross Revenue Conversion Factor	Schedule F-2
C. Travel, Entertainment, and Related Employee Expenses	Schedule F-3
D. Projected Rate Case Expenses	Schedule F-4
Interim Rate Petition Materials	
Interim Revenue Requirements and Proposed Interim Rates	Statement IR
Interim Rate of Return Calculation	Schedule IR-1
Interim Operating Income Statement	Schedule IR-2
Average Rate Base Summaries - Comparison	Schedule IR-3
Revenue Deficiency Calculation	Schedule IR-4
Advertising Expense Analysis	Exhibit RDB-1
Advertising Samples	Exhibit RDB-2
Organization Dues	Exhibit RDB-3

1 Q. Was your testimony, including the associated schedules and exhibits, prepared or  
2 reviewed and approved by you?

3 A. Yes, my testimony, schedules, and exhibits were prepared or reviewed and approved by  
4 me.

5

6 II. REVENUE DEFICIENCY

7 Q. What is the Test Year for this filing?

8 A. The Test Year is the projected fiscal year 2025, ending December 31, 2025, based on  
9 Fiscal Years 2023 and 2024 adjusted for known and measurable changes.

10

11 Q. What is GMG's Test Year revenue deficiency and its basis?

12 A. GMG's calculated revenue deficiency of \$1,422,431 reflects a return on equity (ROE) of  
13 10 percent, which is the ROE that the Commission approved in GMG's last general rate  
14 case in Docket No. G022/GR-09-962, as well the GMG rate case prior to that one in  
15 Docket No. G022/GR-06-1148. As discussed in more detail in the testimony of Greg  
16 Palmer, a 10 percent ROE is not inconsistent with ROE awards for other utilities. GMG  
17 has not performed a separate, stand-alone ROE analysis, consistent with its past  
18 practices, but believes 10 percent is conservative and reasonable to use for the purpose  
19 of setting rates in this proceeding.

20 The principal drivers behind the need for GMG's rate increase are the recovery of:

- 21 • A reasonable rate of return on GMG's utility plant;
- 22 • An increase in GMG's operating expenses in the fifteen years since its last rate  
23 case; and
- 24 • Significant increases in tax-related expenses, including property and income  
25 taxes.

26 GMG respectfully requests full recovery of its projected Test Year revenue deficiency.

1 Q. What is the rate increase that GMG is proposing?  
 2 A. GMG proposes to increase rates by approximately \$1.4 million or 7.73 percent above  
 3 present rates to offset its revenue deficiency. GMG recognizes the sensitivity of  
 4 implementing rates to recover its full cost of service; however, GMG believes that its  
 5 requested rate increase will have a moderate impact on customers while addressing the  
 6 company's financial needs, especially considering that GMG's customers have  
 7 benefitted from stable rates for the past fifteen years without any rate increase.

8  
 9 Q. What rate structure does GMG propose to implement for this General Rate Case?

10 A. GMG proposes to increase facility fees by 15% for all classes and distribution margin by  
 11 15% - 15.5% to implement the increase; thus, GMG's proposed rate structure remains  
 12 consistent and maintains the rate structure approved by the Commission in its previous  
 13 rate case. The following provides a comparison of Present and Proposed rates  
 14 (excerpted from Volume 3, Schedule E-1):

15 Table RBD-1

Line No.		Residential	Sm Commercial	Commercial	Industrial		Interruptible	
		RS1	SCS1	CS1	MS1	LS1	IND1	AG1
1	<b>Present Rates</b>							
2	Facility Fee	\$ 8.50	\$ 10.00	\$ 40.00	\$ 100.00	\$ 200.00	\$ 275.00	\$ 20.00
3	Distribution Charge	\$ 4.41646	\$ 4.23646	\$ 3.93646	\$ 3.73646	\$ 3.58646	\$ 2.48626	\$ 2.28626
4	Cost of Gas							
5	Demand	\$ 1.70630	\$ 1.70630	\$ 1.70630	\$ 1.70630	\$ 1.70630	\$ -	\$ -
6	Commodity	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291
7	Total Cost of Gas	\$ 5.55921	\$ 5.55921	\$ 5.55921	\$ 5.55921	\$ 5.55921	\$ 3.85291	\$ 3.85291
8	Total Distribution and Cost of Gas Rates	\$ 9.97567	\$ 9.79567	\$ 9.49567	\$ 9.29567	\$ 9.14567	\$ 6.33917	\$ 6.13917
9	<b>Proposed Rates</b>							
10	Facility Fee	\$ 9.75	\$ 11.50	\$ 45.00	\$ 115.00	\$ 230.00	\$ 300.00	\$ 23.00
11	Distribution Charge	\$ 5.10100	\$ 4.89310	\$ 4.54660	\$ 4.29695	\$ 4.06445	\$ 2.85920	\$ 2.85920
12	Cost of Gas							
13	Demand	\$ 1.70630	\$ 1.70630	\$ 1.70630	\$ 1.70630	\$ 1.70630	\$ -	\$ -
14	Commodity	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291	\$ 3.85291
15	Total Cost of Gas	\$ 5.55921	\$ 5.55921	\$ 5.55921	\$ 5.55921	\$ 5.55921	\$ 3.85291	\$ 3.85291
16	Total Distribution and Cost of Gas Rates	\$ 10.66021	\$ 10.45231	\$ 10.10581	\$ 9.85616	\$ 9.62366	\$ 6.71211	\$ 6.71211

1 Q. Why is GMG seeking an increase in its facility fees?

2 A. While GMG is proposing an increase in its facility fees, the proposed increase will have a  
3 modest impact on customers. GMG's proposed facility fees will still be similar to those of  
4 other Minnesota natural gas utilities. For example, while GMG proposes adjusting the  
5 Residential Facility Fee from \$8.50 to \$9.75 per month, the proposed facility fee will still  
6 cover only 10% of the total cost of service attributable to GMG's residential customers –  
7 90% of the costs will still be recovered through the volumetric charge. GMG's proposed  
8 facility fee increase represents a reasonable and moderate step toward cost-of-service  
9 pricing, as costs of everything necessary to provide service to customers have  
10 substantially increased in the fifteen years since GMG's current facility fees were  
11 approved, including costs related to materials and supplies; labor for all employees  
12 including operations, billing, customer service, and administrative staff; technology and  
13 necessary software; and other administrative costs.

14  
15 As part of the proposed rates, GMG has equalized the distribution rate between both the  
16 Industrial and Agricultural interruptible classes. While this increase to Agricultural  
17 customers will still not cover their entire cost of service, they will still see a higher rate  
18 impact than other classes and GMG feels this is a fair move towards a full cost of service  
19 recovery.

20

21 III. RATE BASE

22 Net Utility Plant in Service

23 Q. How is your testimony regarding GMG's rate base organized?

24 A. The section of my testimony includes a summary addressing each major component of  
25 rate base.

1 Q. What is GMG's total rate base amount for the proposed Test Year?

2 A. Rate base for the twelve months ending December 31, 2025 is \$44,920,151. The  
3 schedules supporting this rate base testimony and GMG's average rate base  
4 calculations are set forth in Volume 3, Schedules B-1 through B-9.

5  
6 Q. What are the individual components of rate base?

7 A. The largest component of rate base is net utility plant in service, which consists of gross  
8 plant less accumulated depreciation, amortization, and salvage. Other components  
9 include gas storage inventory, customer advances for construction, accumulated  
10 deferred income taxes, and working capital considerations.

11  
12 Q. Please explain what increases have occurred in GMG's rate base since the Company's  
13 last filing.

14 A. Net average rate base for the proposed Test Year has increased by \$35,374,114 over  
15 the amount approved in GMG's previous general rate case, Docket No. G-022/GR-09-  
16 962. The change is comprised mainly of a net utility plant increase of \$34,974,149  
17 through the end of the Test Year. Through 2024, GMG has increased net utility plant  
18 without seeking a rate increase from its rate payers. Both the number of GMG's service  
19 areas and the number of its customers within each service area have increased  
20 dramatically throughout the fifteen years between GMG's last rate case and this  
21 proceeding, thereby necessarily resulting in GMG's corresponding net plant expansion.  
22 That very growth sustained GMG's ability to cover its buildout and its ever-increasing  
23 costs throughout the same period without seeking any correlated rate increase from its  
24 customers throughout that time. Hence, it is appropriate to include all of GMG's net utility  
25 plant increase in net rate base in this proceeding.

26



1 Q. Has the methodology for determining the individual rate base components significantly  
2 changed since GMG's last rate case?

3 A. No. The overall methodology is essentially the same as that used in the Company's  
4 2009 rate case.

5

6 Q. Please explain how the Test Year net utility plant in service amounts were calculated.

7 A. The Test Year net plant in service development begins by establishing Base Year and  
8 Projected Current Year gross plant and accumulated depreciation, amortization, and  
9 salvage (collectively "reserve") balances. GMG's Base Year is the 2023 calendar year  
10 and its Projected Current Year is the year ending December 31, 2024. Gross plant  
11 additions expected to occur through the end of the 2025 Test Year were added to the  
12 projected 2024 gross plant and reserve balances. Forecasted depreciation and salvage  
13 based on the above is calculated through the end of the 2025 Test Year and the reserve  
14 is updated. Adjustments are made to remove any capital items that are not included in  
15 the revenue requirement requested in this rate case (e.g., non-utility related plant). The  
16 Test Year net utility plant in service is summarized on Schedule B-1.

17

18 Q. Please explain how GMG's capital additions were determined.

19 A. The capital additions used in this filing were determined by the capital planning process  
20 described in other sections of my testimony.

21

22 Q. Does GMG anticipate any capital retirements during the Test Year?

23 A. No. GMG does not anticipate any capital retirements during the remainder of the Current  
24 Projected Year or the Test Year. GMG's facilities are comparatively new, as the  
25 company was established in 1995 and the majority of the plant has been put into service  
26 after 2000. As such, the system is still in relative infancy when compared to the legacy

1 gas facilities of many larger and older utilities, and its facilities are not nearing the need  
2 for the replacement, so GMG does not have a need or basis for planning for capital  
3 retirement.

4  
5 Accumulated Depreciation and Amortization

6 Q. Please explain how GMG's accumulated depreciation, amortization, and salvage  
7 balances are determined.

8 A. The Test Year accumulated depreciation, amortization, and salvage balances are  
9 adjusted to reflect calculated depreciation and salvage expected to occur through the  
10 end of the Test Year. The provisions for depreciation and salvage were calculated using  
11 the same procedures used to record actual depreciation and salvage. Individual rates  
12 were applied, by plant account, to the prior month-end plant balance to compute the  
13 depreciation and salvage provision for each month. The total depreciation and salvage  
14 for any period is the sum of the monthly depreciation and salvage provisions for the  
15 period. The accumulated reserve balances are located in Schedule B-3, Page 1.

16  
17 Q. Are depreciation and salvage rates consistent from the Base Year through the end of the  
18 Test Year?

19 A. Yes. The Company is using the depreciation certification approved in Docket No. G-  
20 022/D-20-612, effective January 1, 2020. The purpose of that study was to determine  
21 and review the annual depreciation accrual rates resulting from current plant and reserve  
22 balances utilizing the same attained ages, estimated average service life and net  
23 salvage value characteristics established in the Company's prior depreciation study.

24  
25 Q. When will GMG submit its next request for depreciation certification?

26 A. The Commission ordered GMG to file its next depreciation study by August 1, 2025.

1 GMG anticipates that this proceeding may impact that study and, as a result, GMG may  
2 request a variance related to submitting its next depreciation certification as this  
3 proceeding develops.

4  
5 Adjustments

6 Q. Were any changes made to gross plant to determine the Test Year rate base?

7 A. No. GMG's entire gross plant is appropriately included in the Test Year rate base.

8  
9 Q. What non-plant components are included in the Test Year rate base?

10 A. The Test Year rate base includes the following non-plant components:

- 11 • Cash Working Capital, found on Schedule B-4;
- 12 • Materials and Supplies, found on Schedule B-6;
- 13 • Prepayments, found on Schedule B-7; and,
- 14 • Gas Storage Inventory, found on Schedule B-8.

15  
16 Q. Please explain cash working capital.

17 A. Cash Working Capital as a component of net rate base is the average amount of capital  
18 over and above the investment in plant and other specifically identified rate base items  
19 invested in GMG to meet daily cash needs. The purpose of working capital is to bridge the  
20 gap between the time expenditures are required to provide service and the time  
21 collections are received for the service.

22  
23 Q. Please explain materials and supplies.

24 A. The Test Year includes the cost of materials purchased by GMG for use in construction,  
25 operation, and maintenance of its natural gas facilities. GMG used thirteen-month

1 average balances for projecting Test Year costs for materials and supplies based on  
2 activity in the Base Year and the Projected Current Year. Materials are included in rate  
3 base because they represent investments paid for by GMG that have not been used.

4  
5 Q. Please explain what comprises prepayments.

6 A. Prepayments include items that GMG pays for in advance, including things like  
7 insurance, property taxes, software license fees, etc. GMG used thirteen-month average  
8 balances for projecting Test Year prepayments based on activity in the Base Year and  
9 the Projected Current Year. GMG views these items as investments for future coverage  
10 or service. The prepayments are amortized over the duration they cover and are  
11 expensed according to the established schedule.

12  
13 Q. Please explain gas storage inventory.

14 A. The Test Year includes the projected cost of gas storage service that GMG uses to help  
15 insulate its customers from rate fluctuation. GMG contracts with storage suppliers to  
16 accept gas purchased by GMG in summer, when gas is sold at lower rates, and inject it  
17 into storage. At GMG's request, the gas is later withdrawn during the cold winter months  
18 when the customer demand for gas is higher and when the cost of gas is generally  
19 higher. A thirteen-month average balance for the categories comprising gas storage was  
20 used to project the Test Year cost, and it reflects the anticipated seasonal injections and  
21 withdrawals.

22  
23 Q. Was anything excluded from the Test Year rate base?

24 A. Yes. The Test Year rate base does not include estimated Contributions in Aid of  
25 Construction or Deferred Income Taxes.

26

1 Q. Please describe Contributions in Aid of Construction.

2 A. Contributions in Aid of Construction (“CIAC”), found on Schedule B-5, represent advance  
3 payments required from certain customers as a condition of extending natural gas mains  
4 to serve them. Payments are required when the anticipated revenue that GMG will  
5 receive from providing service to the customer(s) is not sufficient to justify the cost of the  
6 main extension pursuant to the terms of GMG’s tariff. CIACs are reconciled as each  
7 project is completed. CIACS are non-refundable and any overpayment further reduces  
8 the cost of the asset. GMG used thirteen-month average balances for estimating CIACs  
9 for the Test Year based on activity in the Base Year and the Projected Current Year.

10

11 Q. Please describe the deduction from rate base for deferred income taxes.

12 A. GMG follows normalized accounting for the tax effects of timing differences resulting in  
13 the recognition of deferred income taxes. Timing differences arise when items are  
14 recorded on the books in a different period than when reported for income tax purposes.  
15 Normalization matches the income tax expense or benefit with items as they are  
16 recorded on the books. The rate base-related timing differences considered in the Test  
17 Year include the items identified in Schedule B-3, page 2. Unless otherwise noted, rate  
18 base includes projected 13-month average balances based upon the Test Year activity  
19 of the deferred debit or credit item.

20

21 Rate Base Analysis for Test Year

22 Q. Please discuss and explain the overall changes in average rate base proposed in the  
23 Test Year as compared to the settlement in GMG’s previous rate case.

24 A. As shown in the table below, the average rate base in the prior rate case was  
25 \$9,546,037. In the Test Year, the proposed rate base is \$44,920,151.

26

1

Table RBD-2

Description	2009 Rate Case Settlement	2025 Test Year
Plant In Service	\$ 11,626,769	\$ 62,278,031
Reserve for Depreciation, Amortization & Salvage	(1,612,423)	(17,575,068)
<b>Net Utility Plant</b>	<b>\$ 10,014,346</b>	<b>\$ 44,702,963</b>
Contribution in Aid of Construction	\$ (135,459)	\$ (22,308)
Working Capital	\$ 523,185	\$ 2,836,409
Deferred Income Taxes	\$ (856,035)	\$ (2,596,913)
<b>Total Rate Base</b>	<b>\$ 9,546,037</b>	<b>\$ 44,920,151</b>

2

3

While the Test Year rate base is considerably higher than that in GMG's prior rate case,

4

GMG plant investment from 2009 to 2025 totals approximately \$51.9 Million.

5

6

Q. You have explained that the Test Year rate base is predicated on averages from prior years. How did you develop the 2023 Base Year rate base and the 2024 Current Projected Year rate base?

7

8

9

A. The 2023 Rate Base is the actual thirteen-month averages for items comparable in nature to those in the Test Year rate base. The 2024 Rate Base is the same, except that it is based on actual data through August 31, 2024, and projected data from September 1, 2024, through December 31, 2024. For both years, certain cash amounts are estimates based on the analysis prepared to calculate the Test Year balances.

10

11

12

13

14

15

#### IV. FORECASTING

16

Q. Please provide a high-level overview of the various customer classes served by GMG.

17

A. GMG serves residential customers, commercial and industrial customers, and agricultural customers. GMG has also proposed providing interconnection service to renewable natural gas ("RNG") producers, which proposal is currently pending in Docket No. G022/M-24-236. The Company's commercial and industrial customers are divided

18

19

20

1 into various levels of commercial and industrial classes based on amount of natural gas  
 2 use and service type. GMG offers firm sales service to its residential and small  
 3 commercial customer classes. The Company offers firm sales service and firm  
 4 transportation service to larger commercial and industrial customers. GMG also offers  
 5 interruptible service to industrial and agricultural customers. The table below identifies  
 6 GMG's rate classes and the class abbreviations used throughout the schedules  
 7 presented by GMG in this proceeding.

8 Table RBD-3

Class/Tariff Page	Class Abbreviation	Sales (S) or Transportation (T) Service	Firm (F) or Interruptible (I) Service
Residential Service / V-1	RS1	S	F
Small Commercial Service / V-2	SCS1	S	F
Commercial Service / V-3	CS1	S	F
Medium Industrial Service / V-4	MS1	S	F
Large Industrial Service / V-5	LS1	S	F
Industrial Interruptible Service / V-13	IND1	S	I
Agricultural Interruptible Service / V-15	AG1	S	I
General Transportation Service / V-17	TR1	T	F
Utility Transportation Service / V-17.1	TR2	T	F
Transportation for Resale / V-17.2	based on underlying rate class	T	F
Market Rate Transportation / V-17.3	TR3	T	F

9  
10  
11 Q. What is the difference among the customer classes?

12 A. The class distinction is generally based on each class's peak day requirements as  
 13 defined in the tariff page(s) for each class and the type of service for the class. In  
 14 general, sales service refers to customers who purchase natural gas from GMG and  
 15 those customers rely on GMG and its distribution system to transport the natural gas  
 16 supply. Similarly, transportation service refers to customers who purchase their own  
 17 natural gas supply but rely on GMG and its distribution system to transport their natural  
 18 gas for them. Further, firm service refers to customers that are assured natural gas

1 supply without interruption; thus, the Company needs to have sufficient capacity  
2 available to deliver gas to those customers even under design day conditions when a  
3 maximum load is reached. Conversely, interruptible customers can tolerate interruption  
4 in their natural gas supply, so those customers elect interruptible service which has a  
5 lower delivery cost to them, but which does not include guaranteed reservation of natural  
6 gas capacity; those customers must be willing to curtail their natural gas usage in  
7 exchange for those lower rates.

8  
9 Q. Please describe GMG's approach to the sales forecast that you will discuss in this  
10 proceeding.

11 A. GMG's billing data is provided for the five-year period from January 1, 2019, through  
12 December 31, 2023. The forecasted volumes are based on the five-year billing data,  
13 which is consistent with historical GMG budgeting.

14  
15 Q. Does GMG's billing system have any impact on your preparation of materials for this  
16 proceeding?

17 A. Yes. GMG transitioned to a modernized billing system in January 2024. GMG's historical  
18 data comes from its prior billing system, Banyon Data Systems, which presented  
19 significant limitations for GMG, as it was no longer commensurate with GMG's needs  
20 given GMG's growth and related data processing needs. The change in billing systems  
21 prevents GMG from being able to run customized reports or change the nature of how  
22 the data from the old billing system is presented.

23  
24 Q. Please generally describe the methodology that GMG employed in its forecasting  
25 process.

26 A. GMG employed the same overall methodology that it uses in its annual forecasting



1 process and contract demand entitlement analysis, thereby assuring that its current  
2 forecasting is consistent with its past practice. GMG's regional demographics have  
3 changed dramatically from the small service area that existed fifteen years ago when  
4 GMG's previous rate case was filed. However, GMG's regional demographics have  
5 remained consistent over the five years of data analyzed in the forecasting process and  
6 are expected to remain consistent for the foreseeable future. Hence, GMG presents a  
7 forecast based on data that is reflective of its current service areas and customer base,  
8 which has remained stable over the course of the underlying data years.

9  
10 From a practical perspective, the most recent five years of data provides the most  
11 relevant customer use information. It represents the most recent and relevant climate  
12 history; includes the most recent impacts of conservation efforts including, but not limited  
13 to, programs, efficient appliances, and smart thermostats, all of which have affected use  
14 per customer; and use-per-customer along with growth/decline information by class  
15 during a relatively growth-stable period for GMG.

16  
17 GMG performed a class-by-class customer count forecast based upon its historical  
18 customer count and used information for the five-year data period. Based on GMG's  
19 overall knowledge of the customer classes within its service territory and its historical  
20 customer information, GMG identified the average customer use by class and used it to  
21 create reasonable use-per-customer projections on a class-by-class basis.

22  
23 Similarly, GMG employed its traditional method to forecast anticipated customer counts  
24 on a class-by-class basis. The beginning point for the Test Year customer count was the  
25 anticipated customer count for December, 2024. GMG's projected customer count for  
26 2024, which was derived from the December 2023 actual customer counts by class and

1 adjusted based on GMG's budgeting and forecasting process, is consistent with GMG's  
2 actual customer additions through August 31, 2024, and anticipated customer additions  
3 for the remainder of 2024 based on GMG's historical information and institutional  
4 knowledge of the customer base in its service areas. Likewise, GMG's forecasted  
5 customer additions for 2025 are predicated on that same knowledge. Since GMG serves  
6 customers in primarily rural areas, as discussed in Cody Chilson's testimony, GMG's  
7 anticipated growth pattern is of a different character than that of utilities serving  
8 metropolitan areas that exhibit predictable development and urban sprawl. GMG's  
9 forecasts of the net annual customer additions were added to the anticipated December  
10 2024 class counts to produce the Test Year customer count forecast. Based on GMG's  
11 knowledge regarding the lack of potential additional large and industrial users in the  
12 primarily rural areas it serves, customer additions were only forecasted for the residential  
13 and small commercial customer classes, as there is no anticipated growth opportunity in  
14 the classes for larger-use customers. GMG then combined its class-by-class, use-per-  
15 customer forecasts with the corresponding customer count forecasts to yield an overall  
16 volumetric forecast for the Test Year. GMG developed its projected monthly throughput  
17 and projected daily demand based on the overall volumetric forecast.

18  
19 Q. Did GMG engage in forecasting for all of its customer classes?

20 A. No. GMG did not forecast for its market rate transportation class because it does not  
21 currently have any customers in that class. Additionally, as discussed above, while GMG  
22 did engage in use-per-customer forecasting for all of its rate classes that are currently  
23 served, it did not forecast customer count additions for classes other than the residential  
24 and small commercial customers because the demographics of GMG's service areas do  
25 not support customer growth in other classes.

1 Q. Did GMG factor curtailment into its forecasting methodology?  
 2 A. No. GMG did not factor curtailment into its forecasting because it very rarely needs to  
 3 ask its interruptible customers to curtail their use since most of them are seasonal users  
 4 of natural gas whose use does not coincide with the heating season. Moreover, by  
 5 employing a five-year average use-per-customer methodology, any anomalous  
 6 curtailment impacts are already captured.

7

8 Q. What is GMG's total forecast?

9 A. The table below summarizes the Test Year forecast by customer class.

10

Table RBD-4

2025 Test Year Sales Forecast (Mcf)		
<u>Firm Rate Classes</u>		
Residential	RS	888,184
Sm Commerical	SCS	118,652
Commerical	CS	44,868
<b>Total Commercial</b>		<b>163,519</b>
Medium Industrial	MS	49,408
Large Industrial	LS	343,899
<b>Total Industrial</b>		<b>393,307</b>
<b>Total Firm Service</b>		<b>1,445,010</b>
<u>Interruptible Service</u>		
Industrial	IND	90,124
Agriculture	AG	134,570
<b>Total Interruptible</b>		<b>224,695</b>
<u>Transportation Service</u>		
Transportation TR1	CS	821
Transportation TR1	IND	45,960
Transportation TR1	Contract	71,820
Transportation TR1	LS	274,045
Transportation TR1	AG	44,003
Transportation TR2	RS	1,377
Transportation TR2	SCS	125
Transportation TR2	MS	5,701
Transportation TR2	AG	3,166
<b>Total Transportation</b>		<b>447,018</b>
<b>Total Gas Sales and Transport</b>		<b>2,116,723</b>

11

1 V. OPERATING EXPENSES

2 Q. Please provide a high-level overview of the methodology used in the development of the  
3 Test Year operating expenses.

4 A. GMG reviewed its actual expenses for 2023 and 2024 through August 31<sup>st</sup>, and its  
5 projected expenses for the balance of 2024. GMG then analyzed the data to determine  
6 whether any of the data was anomalous such that it should not be included in GMG's  
7 projections for the Test Year. Seeing none, GMG predicated its Test Year operating  
8 expenses on that historical data, adjusting it consistent with GMG's budgeting process.  
9 A summary schedule of projected operating income and expenses can be found in  
10 Schedule C-3.

11  
12 Q. How was the financial information developed for the Test Year?

13 A. GMG began with the actual 2023 Base Year financial information. Similarly, for the 2024  
14 Current Projected Year, GMG employed actual financial information through August 31,  
15 2024, and relied on projected information for the period from September 1, 2024,  
16 through December 31, 2024. The financial information was analyzed to determine  
17 necessary adjustments to reflect normal utility operations during the Test Year, which  
18 adjustments were then quantified and added to the Projected Current Year expenses for  
19 calculating Test Year figures.

20  
21 Q. What types of adjustments were made to projected Test Year information?

22 A. Expenses were examined to determine whether there were any anomalies that need to  
23 be accounted for. There were not, so a determination was made that the Base Year  
24 expenses and the Projected Current Year expenses provided a sufficiently accurate  
25 base for the Test Year expenses. Expenses were then adjusted to reflect anticipated  
26 changes, such as growth based on forecasting, payroll increases, inflation, taxes, cost of

1 capital, etc.

2

3 Q. Did GMG project any unusual additions for the Test Year?

4 A. While not unusual, GMG did add one new employee for Test Year purposes. GMG has a  
5 need for, and intends to hire, a metering and measurement technician. Accordingly,  
6 GMG added the cost of compensation and benefits for that employee, as well as a truck,  
7 tools, etc. in its projected capital expenditures.

8

9 Q. Schedule C-3 identifies a substantial increase in the costs associated with billing support  
10 from the Base Year to the Projected Year and the Test Year; will you please explain the  
11 increase?

12 A. GMG historically used billing software that was quite old and limited in its capabilities.  
13 That software, which was originally designed to support small municipal utilities, had  
14 minimal support costs, but also provided minimal support for the program. GMG  
15 transitioned to a more robust billing system commensurate with its needs and size in late  
16 2023, which went live for billing in 2024. The new billing system requires monthly  
17 support payments. The expenses identified for the Projected Current Year and the Test  
18 Year are commensurate with the contract for GMG's current billing system.

19

20 Q. Did GMG take steps to validate the Projected Current Year and Test Year information to  
21 avoid errors?

22 A. Yes. Each adjustment, projection, and revision was created and reviewed by me, Cody  
23 Chilson, and Greg Palmer. All three of us reviewed all the financial information several  
24 times, so each item was initiated by one of us and subsequently reviewed multiple times  
25 by all three of us. The review process also included using multiple check figures to verify  
26 that entries tied out; recalculation for purposes of verification and review; and

1 maintaining detailed information of the origin of each piece of information.

2  
3 VI. OVERVIEW OF THE COMPANY'S CCOSS PRESENTATION

4 Q. Minnesota Rule 7825.4300, subpart C requires a CCOSS by customer class in a utility's  
5 general rate filing. Are you sponsoring GMG's CCOSS in this rate proceeding?

6 A. Yes. I am sponsoring the CCOSS in this rate proceeding. The CCOSS is used to serve  
7 as a guide for setting its proposed class revenues and rate levels. This CCOSS was  
8 based upon pro forma revenues and costs for the 2025 Test Year beginning on January  
9 1, 2025, and ending December 31, 2025, at present and proposed rates. The CCOSS  
10 was prepared using modeling consistent with that used in GMG's previous rate cases.  
11 All data inputs have been updated to reflect the accounting, customer, and operating  
12 data for the new base year and the 2025 Test Year submitted by GMG in this rate  
13 proceeding. Additionally, where more detailed information was required to perform  
14 various subsidiary analyses related to certain plant and expense elements, the data was  
15 derived from the Company's historical books and records.

16  
17 Q. How have you structured the presentation of GMG's CCOSS in your direct testimony  
18 and schedules?

19 A. My direct testimony initially discusses the three major steps used in preparing a CCOSS  
20 which involve: (1) cost functionalization; (2) cost classification, and (3) cost allocation of  
21 all the costs of the utility's system to the customer classes. I then introduce and discuss  
22 the CCOSS prepared by GMG and summarize its results. Finally, I explain how the  
23 Company relied upon the results of its CCOSS for the evaluation and setting of the class  
24 revenues and rate levels proposed in this rate proceeding. In my other schedules and  
25 workpapers referenced in the List of Schedules, I present details of the CCOSS output,  
26 the specific costing methodologies utilized, and the results for the CCOSS conducted by

1 GMG.

2

3 Q. Does the CCOSS support GMG's proposed rate structure?

4 A. Yes, the CCOSS supports the reasonableness of the proposed rate structure.

5

6 Q. Please describe the CCOSS that GMG prepared and submitted in this rate proceeding.

7 A. Consistent with previous CCOSSs, I have prepared a minimum system method based  
8 on a two-inch distribution main to classify the cost of gas distribution mains and related  
9 expenses. This CCOSS was used as the cost basis for the proposed revenue allocation  
10 and rate design for GMG in this rate proceeding.

11

12 Q. Why was the two-inch main chosen for the minimum system analysis?

13 A. The two-inch main was chosen because it is the minimum-sized distribution main  
14 currently used by the Company. The minimum system size method for utilities is  
15 consistent with authoritative sources such Gas Rate Fundamentals from the American  
16 Gas Association ("AGA") and the Electric Utility Cost Allocation Manual, by John J.  
17 Doran et al., National Association of Regulatory Utility Commissioners ("NARUC").

18

19 Q. Have you prepared a description and justification for the cost classification and allocation  
20 used in GMG's CCOSS filed in this rate proceeding?

21 A. Yes, I have. My direct testimony and sponsored schedules document the approaches  
22 used to classify and allocate GMG's revenue requirement to various tariff classes.

23

24 Q. What is the purpose of a CCOSS?

25 A. A CCOSS is an analysis of costs that attempts to assign to each customer or rate class  
26 its proportionate share of the utility's total cost of service (i.e., the utility's total revenue

1 requirement). The results of these studies can be utilized to determine the relative cost  
2 of service for each customer or rate class and to help determine the individual class  
3 revenue requirements and rate levels.

4  
5 Q. Please describe GMG's approach to developing its CCOSS.

6 A. GMG attempted to associate costs with customers based on cost causation. In following  
7 the direction of the AGA in its Fourth Edition of Gas Rate Fundamentals (1987), pages  
8 136 and 137, there are some cases where there can be a direct association of costs to  
9 customers based on causation. For example, some advertising expenses can be  
10 associated with specific customer classes. In other cases, causation can be based on a  
11 direct relationship between costs and some parameter that can be related to customers.  
12 An example of this is gas supply acquisition costs, which has a direct relationship to  
13 customers' sales. Therefore, gas supply acquisition costs are allocated to customers  
14 based on sales. Other costs may have relationships to customer parameters that are not  
15 direct but are significantly influenced by those parameters. As stated by the NARUC in  
16 its Cost Allocation Manual (1973), page 54, distribution system costs fall into this  
17 category.

18  
19 The essential element in the selection and development of a reasonable cost allocation  
20 methodology for use in conducting a CCOSS is the establishment of relationships  
21 between customer requirements, load profiles, and usage characteristics on the one  
22 hand, and the costs incurred by the utility in serving those requirements on the other  
23 hand. For example, providing a customer with gas service during peak periods can have  
24 much different cost implications for the utility than service to a customer who requires  
25 off-peak gas service.

26



1 A gas utility's gas distribution system is designed to meet three primary objectives: (1) to  
2 extend distribution services to all customers eligible to be attached to the system; (2) to  
3 meet the aggregate, coincident design day capacity requirements of all customers  
4 entitled to firm service; and (3) to deliver volumes of natural gas to those customers  
5 either on a sales or transportation basis. The costs incurred by a utility satisfy one or  
6 more of these operational objectives. Thus, there is generally a direct link between the  
7 way costs are defined and their subsequent allocation.

8  
9 It is a generally accepted concept in the utility industry that a gas utility incurs customer-  
10 related costs to attach a customer to the distribution system, meter any gas usage, and  
11 maintain the customer's account. Customer costs are a function of the number of  
12 customers served and continue to be incurred regardless of whether the customer uses  
13 any gas. They may include capital costs associated with minimum-size distribution  
14 mains, services, meters, regulators and customer service and accounting expenses.

15  
16 Demand or capacity related costs are associated with a plant that is designed, installed,  
17 and operated to meet maximum hourly or daily gas flow requirements, such as  
18 distribution mains or more localized distribution facilities which are designed to satisfy  
19 individual customer maximum demands.

20  
21 Commodity related costs are those costs that vary with the throughput sold to, or  
22 transported for, customers. For example, costs related to gas supply are classified as  
23 commodity-related to the extent they vary with the amount of gas volumes purchased by  
24 the utility for its sales service customers.

25  
26 Q. Please describe the general nature of gas distribution costs.

1 A. The delivery service costs<sup>1</sup> of a gas distribution utility are primarily fixed costs. Gas  
2 utilities design and install a gas distribution system capable of meeting its customers'  
3 design day requirements at the time of initial installation. Placing these facilities in  
4 service permits the utility to serve the changes in load due to extreme weather (i.e., the  
5 design day load). Once facilities serve customers, the costs associated with these  
6 facilities are, by their nature, fixed and do not vary as a function of the volume of gas  
7 consumed by customers.

8

9 Q. Is the fixed nature of these costs generally recognized?

10 A. Yes. The evidence supporting the fixed nature of these costs is quite significant. For  
11 example, gas utilities routinely normalize for weather both their costs and revenues of a  
12 gas utility as part of its rate case. If the costs of distribution mains were in any way  
13 related to the volume of gas consumed, it would also be necessary to weather normalize  
14 the utility's rate base, but this is not the case. It is generally recognized that the costs of  
15 distribution mains are fixed and do not vary with gas volume.

16

17 Additionally, the Gas Distribution Rate Design Manual, prepared by the NARUC Staff  
18 Subcommittee on Gas, defines demand or capacity costs as follows:

19 Demand or capacity costs vary with the quantity or size of plant  
20 and equipment. They are related to maximum system  
21 requirements which the system is designed to serve during short  
22 intervals and do not directly vary with the number of customers or  
23 their annual usage. Included in these costs are: the capital costs  
24 associated with production, transmission and storage plant and  
25 their related expenses; the demand cost of gas; and most of the  
26 capital costs and expenses associated with that part of the  
27 distribution plant not allocated to customer costs, such as the  
28 costs associated with distribution mains in excess of the minimum

---

<sup>1</sup> . Delivery service costs are the non-gas costs incurred by the utility to move gas volumes from its town border station to customers' premises.

1 size.<sup>2</sup>

2  
3

4 Q. Please discuss the factors which can influence the overall cost allocation framework  
5 utilized by a gas distribution utility.

6 A. In undertaking a CCOSS, the overall framework within which a gas distribution utility  
7 performs its cost study can be influenced by various factors. These factors can include:  
8 (1) the physical configuration of the utility's gas system; (2) the availability of data within  
9 the utility; and (3) the state regulatory policies and requirements applicable to the gas  
10 utility.

11

12 Q. Please explain the first factor, the physical configuration of the utility's gas system.

13 A. The physical configuration of the gas system includes considerations such as: (1) the  
14 transmission and/or distribution system configuration; (2) the mainline pipeline  
15 functionality; (3) the system operating pressure configuration; and (4) the existence of  
16 any production-related facilities.

17

18 Q. Please provide some additional information on the considerations related to the physical  
19 configuration of the system.

20 A. These considerations include determining whether: (1) the distribution system is a  
21 centralized grid/single town border station or a dispersed/multiple town border station  
22 configuration; (2) the gas utility has an integrated transmission and distribution system or  
23 a distribution-only operation; (3) the system operates under a multiple-pressure based or  
24 a single-pressure based configuration; and (4) the production-related facilities are used  
25 to support the peak demand or seasonal/annual demand requirements of the gas utility's

---

<sup>2</sup>. Gas Distribution Rate Design Manual, Prepared by NARUC Staff Subcommittee on Gas, June 1989, pages 23-24.

1 customers.

2

3 Q. Please explain the second factor which can influence the overall allocation of costs.

4 A. Concerning data availability, the structure of the gas utility's books and records can  
5 influence its CCOSS framework. This structure relates to attributes such as the level of  
6 detail, segregation of data by customer or rate class, operating unit or geographic  
7 region, and the types of load data available.

8

9 Q. Please explain the third factor which can influence the overall allocation of costs.

10 A. State regulatory policies and requirements refer to the particular approaches used to  
11 establish utility rates in the jurisdiction. For example, any specific methodological  
12 preferences or guidelines for performing CCOSS or designing rates established by the  
13 state regulatory body can affect the particular cost allocation method presented by a gas  
14 utility.

15

16 Q. How do these factors relate to the specific circumstances applicable to GMG?

17 A. Regarding the physical configuration of the Company's gas system, it is generally a  
18 dispersed/multiple town border station distribution system located in three separate  
19 primarily rural areas in Minnesota, namely: the South District which is serviced by  
20 GMG's corporate headquarters and service center in Faribault; the Central District which  
21 is serviced by GMG's service center in Swanville; and the North District which is  
22 serviced by GMG's service center in Detroit Lakes. Regarding data availability, GMG  
23 has detailed plant accounting records for some of its distribution-related facilities (e.g.,  
24 distribution mains), and details for some of its larger operating expense categories.  
25 However, like most utilities, with the enhancements made over time to their information  
26 technology capabilities, some reduced level of granularity of historical plant data in a

1 utility's continuing property records has occurred, which creates the need to rely upon  
2 current operating cost experience to derive reasonable cost estimates of customer-  
3 related facilities (e.g., services, meters and regulators) by rate class for purposes of  
4 assigning the test period costs of those facilities to the rate classes.

5  
6 Q. What steps did you follow to perform the Company's CCOSS?

7 A. I followed three general steps to perform the Company's CCOSS: (1) functionalization;  
8 (2) classification; and (3) allocation.

9 The first step, the functionalization process, involves separating rate base (primarily  
10 plant in service) and expense items into operational components based on the various  
11 characteristics of utility operation. For GMG, the functional cost categories associated  
12 with gas service include gas supply, distribution, and general costs. Gas supply costs,  
13 which include pipeline and storage charges and related costs, as well as gas commodity  
14 costs, are recovered through the Company's Purchased Gas Adjustment Rider ("PGA").  
15 As a result, the impact of this cost component, and the associated PGA revenues, is  
16 eliminated in the CCOSS since its results are used as a guide to set non-gas or base  
17 rates only.

18  
19 Classification of costs, the second step, further separates the functionalized plant and  
20 expenses into the three cost-defining characteristics of services rendered, as previously  
21 discussed: (1) customer; (2) demand or capacity; and (3) commodity.

22  
23 The final step is allocating each functionalized and classified cost element to the  
24 individual customer or rate class. Costs typically are allocated using customer, demand,  
25 and commodity allocation factors.

1 Q. What objective are you seeking to achieve through this three-step process?

2 A. The functionalization and classification of the utility's total cost of service (i.e., its total  
3 revenue requirement) provides the cost analyst with groupings of costs that are more  
4 homogeneous, which enables the identification and application of cost allocation  
5 methods that have a closer relationship to the causation of the costs that are being  
6 assigned to the utility's rate classes.

7

8 Q. How does the cost analyst establish the cost and utility service relationships you  
9 previously described?

10 A. To establish these relationships, GMG analyzed its gas system design and operations,  
11 its accounting records, and its system-wide and customer specific load data. From the  
12 results of those analyses, methods of direct assignment and "common" cost allocation  
13 methodologies could be chosen for all the Company's plant and expense elements.

14

15 Q. Please explain what you mean by the term "direct assignment?"

16 A. The term "direct assignment" relates to specific identification and isolation of plant and/or  
17 expense incurred exclusively to serve a specific customer or group of customers. Direct  
18 assignments best reflect the cost causative characteristics of serving individual  
19 customers or groups of customers. Therefore, in performing a cost of service study, the  
20 cost analyst seeks to maximize the amount of plant and expense directly assigned to  
21 particular customer groups.

22

23 Direct assignment of plant and expenses to particular customers or classes of customers  
24 are made based on special studies wherever the necessary data is available. These  
25 assignments are developed by detailed analyses of the utility's maps and records, work  
26 order descriptions, property records, and customer accounting records. Within time and

1 budgetary constraints, the greater the magnitude of cost responsibility based upon direct  
2 assignments, the less reliance need be placed on common plant allocation  
3 methodologies associated with joint use plant.

4  
5 Q. Is it realistic to assume that a large portion of the plant and expenses of a utility can be  
6 directly assigned?

7 A. No. The nature of utility operations is characterized by the existence of common use  
8 facilities. Where a utility provides gas delivery services to two or more rate classes  
9 wherein one class uses mutual capacity which could be utilized by the other rate class,  
10 common costs are involved. This situation is illustrated through the utility's use of its gas  
11 distribution mains to serve multiple rate classes and a wide range of customers within  
12 these classes. As a result, to the extent a utility's plant and expenses cannot be directly  
13 assigned to customer groups, "common" allocation methods must be derived to assign  
14 or allocate the costs to the customer classes. The types of analyses discussed above  
15 facilitate the derivation of reasonable allocation factors for cost allocation purposes.

16  
17 Q. Please explain the most important considerations you relied upon in determining the cost  
18 allocation methodologies used to conduct GMG's CCOSS.

19 A. As stated above, it is important to recognize the cost causative characteristics of each of  
20 the cost elements which are to be directly assigned or allocated within any class cost of  
21 service study. Additionally, a cost analysis needs to develop data in a form that is  
22 compatible with, and supportive of, the utility's rate design proposals. The availability of  
23 data for use in developing alternative cost allocation factors must also be considered. In  
24 evaluating any cost allocation methodology, consideration should be given to:  
25 recognition of cost causality as opposed to value of service; results which are  
26 representative of the true costs of serving different types of customers; a sound rationale

1 or theoretical basis; stability of results over time; logical consistency and completeness;  
2 and ease of implementation.

3  
4 Q. Please explain the overall approach and guidelines you used to conduct the Company's  
5 CCOSS.

6 A. Cost allocation methods and deriving cost allocation factors for use in a utility's CCOSS  
7 are grounded in the design and operating characteristics of the Company. As a result,  
8 the Company's recommended CCOSS reasonably reflects the appropriate cost  
9 causation characteristics across all of the Company's rate classes and derives results  
10 that objectively portray the true costs to serve each of the utility's rate classes and the  
11 customers within each rate class. These results can be used with confidence as a guide  
12 to establish the Company's class revenues and rates in this proceeding.

13  
14 Q. In your opinion, is it ever appropriate to deviate from the utility's CCOSS results?

15 A. Yes. As part of the class revenue apportionment and rate design processes, it is  
16 generally recognized that there are non-cost considerations that can influence how  
17 closely the results of a utility's CCOSS are followed in setting its class revenues and rate  
18 levels. At the same time, though, it is critically important that the CCOSS stand on its  
19 own objective merits. Thus, the operational and engineering underpinnings of the utility's  
20 gas system should be the primary determinants in guiding the cost analyst's choice of  
21 cost allocation methods and the derivation of cost allocation factors. If a party decides to  
22 deviate from the results contained in the utility's CCOSS for purposes of assigning the  
23 utility's proposed revenue increase to its classes of service or setting rate levels, this  
24 should be done based upon non-cost considerations—and characterized as such. It  
25 should not be done by first "adjusting" the CCOSS to achieve the desired end result, and  
26 then attempting to characterize the cost study as being based on cost causative



1 principles. Very simply, a utility's CCOSS drives its rate design, and rate design should  
2 not drive the CCOSS.

3  
4 VII. THE COMPANY'S PROPOSED CLASS REVENUES

5 Q. Has the Company proposed a fully cost-based revenue allocation in this proceeding?

6 A. No. The Company does not propose to allocate revenues solely on the basis of cost.

7 However, a fully cost-based revenue allocation does provide a guideline for rate design.

8 Q. Please describe GMG's approach to allocating its proposed revenue increase to various  
9 rate classes.

10 A. GMG employed the same general method for rate design that was approved in its  
11 previous rate case. The apportionment of revenues among rate classes used in that  
12 case continues to achieve a reasonable balance between allocating the cost of service,  
13 class contribution to GMG's present revenue levels and customer impact considerations,  
14 such as avoiding rate shock and serving public policy interests of ensuring that  
15 residential customers have affordable access to natural gas service.

16  
17 Q. Have you prepared a comparison of the Company's present and proposed revenues by  
18 rate class?

19 A. Yes. Schedule E-1 presents a comparison of the present and proposed revenues for  
20 each of GMG's rate classes. It also summarizes the Company's class revenue proposal,  
21 including the revenue surplus/deficiency under current and proposed class revenue  
22 levels and the proposed change in revenues by rate class for the Test Year.

23  
24 Q. What key objectives did GMG seek to achieve in designing GMG's proposed rates?

25 A. In general, GMG hopes to achieve fair and equitable rates that are reflective of the cost  
26 of service; avoid undue discrimination among and within GMG's rate classes; provide

1 stable and understandable rates that allow for customer choice where the customer type  
2 warrants it; encourage energy efficiency and conservation; create economically efficient  
3 pricing for natural gas services; and allow GMG to recover its revenue requirement in a  
4 manner that maintains stability and minimizes over- or under-collections.

## 6 VIII. COMPLIANCE REQUIREMENTS

### 7 Annual Report to Stockholders

8 Q. Please describe GMG's annual report to its stockholders, including financial statements.

9 A. GMG is wholly-owned by its parent company, Greater Minnesota Synergy, Inc. ("GMS").  
10 Accordingly, GMG does not provide an annual shareholder report. The GMS  
11 consolidated financial statements and information about the organization as a whole is  
12 provided to the GMS shareholders annually.

### 14 Annual Report to Shareholders

15 Q. Has GMG provided the required information regarding its annual report to stockholders  
16 including financial statements?

17 A. Yes. Schedule F-1 contains the audited financial statements for GMG that is made  
18 available to GMS shareholders, since GMG's only shareholder is GMS.

### 20 Gross Revenue Conversion Factor

21 Q. How did GMG develop its gross revenue conversion factor?

22 A. Schedule F-2 sets forth information regarding GMG's gross revenue conversion factor.

### 24 Travel, Entertainment, and Related Employee Expenses

25 Q. Has GMG provided the information required by Minnesota Statutes Section 216B.16,  
26 Subdivision 17 regarding travel, entertainment, and related employee expenses?

1 A. Yes. Schedule F-3 includes the requisite information regarding each expense category.

2

3 Service Extension Policy

4 Q: Should the “free” footage or service extension allowance include the majority of all new  
5 extensions with only the extremely long extensions requiring a customer contribution-in-  
6 aid-of-construction (CIAC)?

7 A: Yes, customers should receive some amount of service line extension at no cost. Under  
8 GMG’s current tariff, up to 125 feet of service is provided without requiring a capital  
9 contribution (GMG previously had a 250 foot allowance). This allowance recognizes the  
10 rural nature of the Company’s service areas and allows natural gas service to be  
11 extended to new customers (typically currently taking propane service), without putting a  
12 burden on the existing customers. The addition of these new customers allows fixed  
13 costs to be shared between more customers.

14

15 Under GMG’s extension policy, any customer requiring a service longer than 125 feet is  
16 charged a cost of \$5.00 per foot. Any abnormal, unusual, or winter construction costs  
17 are paid by the customer so as to not burden existing customers. GMG’s average  
18 service length is 225 feet, so many of GMG’s customers choose to pay for longer  
19 services; however, for those customers with 125 feet or shorter service lengths, no  
20 capital contribution is necessary.

21

22 Q: How should a Local Distribution Company (“LDC”) determine the economic feasibility of  
23 service extension projects and whether the excess footage charges are collected?

24 A: An economic feasibility study should be conducted for all new customers applying for  
25 natural gas service where a current main does not exist. GMG’s current economic  
26 feasibility looks at future growth expectations and commercial and industrial loads to

1 provide a projected annual gross margin (revenue – cost of gas) equal to or greater than  
2 18% of the Company’s projected project costs. In addition, an agreement may be used  
3 to assure economic feasibility based on projected annual gross margin. In situations  
4 where customer contributions are required, each customer will be required to pay a  
5 contribution such that gross margins are projected to be 18% of estimated project costs  
6 after excluding costs equal to the customers contribution in aide of construction.

7  
8 Q: Should the LDC’s service extension policy be tarified in number of feet without  
9 consideration to varying construction costs amongst projects, or should the allowance be  
10 tarified as a total dollar amount per customer?

11 A: Costs of installing individual service lines to customers vary so slightly from customer to  
12 customer that the simplicity of allowances in feet rather than dollars is easier for  
13 administrative tracking purposes.

14  
15 Q: Is the LDC’s extension charge refund policy appropriate?

16 A: GMG does not offer refunds on CIACs. All extensions are reviewed and quoted using  
17 the best knowledge at the time.

18  
19 Q: Should customers be allowed to run their own service line from the street to the house  
20 (or use an independent contractor) if it would be less expensive than having the utility  
21 construct the line?

22 A: No. To maintain integrity of the company’s system and compliance with federal code  
23 requirements in 49 CFR Part 192 and 199, only a utility or its contractors should perform  
24 this type of work. PHMSA’s regulation of natural gas facilities makes it necessary for  
25 GMG to know what materials are used in construction, the procedures used to construct,  
26 that the installer has followed GMG’s pipe fusion procedures, operator qualification

1 program, and a compliant drug and alcohol testing program. Without detailed knowledge  
2 of materials, procedures, and personnel used for construction, GMG would not be able  
3 to safely assess risk for our Distribution Integrity Management Program (DIMP) or  
4 maintain compliance with federal code. PHMSA regulations are designed to ensure that  
5 gas distribution systems are installed and operated with a strong focus on safety, risk  
6 management, and continuous improvement to protect both the public and the  
7 environment.

8  
9 Q: Should the LDC be required to offer its customers financing for service extension  
10 charges?

11 A: No. GMG does not offer financing and does not feel it should be required to. Additionally,  
12 the cost of capital we would need to charge would likely exceed the rates a customer  
13 could obtain through traditional financial institutions, such as banks.

14  
15 Advertising Expenses

16 Q. Do the Test Year expenses include any amounts for advertising?

17 A. Yes. The Test Year includes nominal expenses for FERC Account 909, informational  
18 and instructional advertising. The Test Year advertising expenses are \$69,600, adjusted  
19 for inflation, and employee expense, as shown in Exhibit RDB-1, Advertising Analysis.

20  
21 Q. Please explain the Test Year advertising expenses as shown in Exhibit RDB-1

22 A. Exhibit RDB-1 shows the Base Year and Projected Current Fiscal Year expenses for  
23 each type of informational and instructional advertising, which have been adjusted for  
24 the reclassification of certain base year expenses. The Projected Current Fiscal Year  
25 expenses were adjusted to arrive at the Test Year expenses reflected in Exhibit RDB-1

1 Q. What is the purpose of the advertising materials charged to FERC Account 909?

2 A. FERC Account 909 includes the permitted advertising cost to produce materials and  
3 messages to inform customers about safety, effective and efficient use of natural gas,  
4 and services provided by the Company. More specifically, GMG provides information  
5 regarding the safe use of natural gas and natural gas equipment and information that  
6 ensures the safe delivery of natural gas to GMG's customers. The Company incurs  
7 expenses to furnish telephone numbers and other information customers need prior to  
8 excavation to avoid hitting gas or other service lines, and to provide telephone numbers  
9 instructing customers to contact the Company about gas leaks and other emergencies.  
10 GMG respectfully notes that, as detailed on the schedule, the vast majority of its  
11 expenses in this category are related to fulfilling the requirements of RP-1162, which it is  
12 mandated to do as a natural gas distribution company.

13  
14 GMG also provides information educating customers about using natural gas efficiently  
15 and cost-effectively. Importantly, expenses that are recovered via GMG's ECO (formerly  
16 CIP) Tracker are not included in the identified advertising costs.

17  
18 In addition, GMG provides information about budget and other payment plans; who to  
19 call with questions about bills, credit issues or other natural gas services; and  
20 information to help customers make the best use of natural gas.

21  
22 Q. Did GMG provide the advertising samples required by the Commission's "Statement of  
23 Policy on Advertising" dated June 14, 1982?

24 A. Yes. Exhibit RBD-2 includes the required advertising samples. The included material  
25 covers safety advertising (carbon monoxide safety, what to do if you smell gas, and Call  
26 Before You Dig and Gopher State One Call programs, which encourage safe practices

1 when digging near natural gas and other buried lines, etc.); energy efficiency; and utility  
2 service advertising (online access to account, auto pay, paperless billing, budget billing,  
3 financial assistance services, etc.).  
4

5 Q. How does that type of advertising benefit GMG's customers?

6 A. By addressing safety issues, such as "Call Before You Dig," gas leaks, and carbon  
7 monoxide safety, GMG helps customers avoid costly and potentially dangerous  
8 conditions. GMG also provides information to customers about various utility financial  
9 services that make it more convenient for its customers to use and pay for their natural  
10 gas service. GMG's advertising also provides the telephone number for customers to call  
11 when they have questions regarding their utility service or in the event of an emergency,  
12 such as smelling gas or to report a gas leak.  
13

14 GMG's advertising helps build awareness among its customers of the importance of their  
15 energy use, the impact on the environment, and of the positive effect on the environment  
16 they can have by using energy carefully and by choosing high-efficiency natural gas  
17 appliances.  
18

19 Q. Do any of the advertising materials charged to FERC Account 909 directly promote the  
20 use of natural gas?

21 A. No. Advertising costs that are included in the Test Year and Plan Year are those that are  
22 incurred to produce materials and messages informing customers about safety,  
23 conservation, and utility services. While the included advertising includes guidance on  
24 making the best use of natural gas, it does not promote the use of natural gas. Also,  
25 certain materials, such as "welcome packets" are provided to residential and business  
26 customers after they have become customers of the Company, and therefore are not

1 designed to develop new customers by focusing on the benefits of natural gas.

2

3 Q. Are the Test Year advertising expenses referenced above the same type of advertising  
4 expenses that have previously been approved by the Commission?

5 A. Yes, they are.

6

7 Q. Does the Company intend to continue these advertising programs in the future?

8 A. Yes. GMG will continue the same programs or types of programs as described above in  
9 the Test Year.

10

11 Charitable Donations

12 Q. Did GMG include the necessary charitable donation information?

13 A. GMG did not have any charitable donations and does not anticipate making any in the  
14 Test Year.

15

16 Organization Dues

17 Q. Did GMG provide requisite information regarding organization dues?

18 A. Yes. Exhibit RDB-3 includes a schedule of the required information related to  
19 organization dues.

20

21 Research Expenses

22 Q. Did GMG incur any research expenses?

23 A. No. GMG did not have any research expenses and does not anticipate having any in the  
24 Test Year.

25

26



1 IX. INTERIM RATES

2 Q. Is GMG seeking institution of interim rates?

3 A. Yes. GMG respectfully requests that interim rates be implemented effective with billings  
4 beginning in January, 2025. As affirmed in GMG's Agreement and Undertaking  
5 statement, GMG will refund any rate payments that may be due to customers following  
6 the Commission's final determination in this proceeding.

7

8 Q. How did GMG calculate its proposed interim rates?

9 A. GMG proposes that its interim rates be set at the same level as its proposed rates in this  
10 proceeding. GMG maintains that its rate proposal is not only fair and equitable, but is  
11 very reasonable under the circumstances. GMG's proposal does not include substantial  
12 proposed expenses that are unusual or that are dissimilar to its current and historical  
13 business operations. Its proposed rates are supported by the facts and circumstances  
14 attendant to this case and, as a result, GMG does not believe that implementing a  
15 reduced proposal for interim rates is warranted.

16

17 Q. Does this conclude your testimony?

18 A. Yes, it does. Thank you for your consideration.

**Greater Minnesota Gas, Inc**  
**Docket No. G022/GR-24-350**  
**Advertising Analysis**

<b>Line No.</b>	<b>Recipient</b>	<b>2023 Actual</b>	<b>2024 Actual / Budget</b>	<b>2025 Budget</b>
1	Distribution - Acct 5140 - Pipeline Safety Expense	\$ 55,112	\$ 55,174	\$ 60,000
2	RP 1162 Advertising and Damage Prevention expenses			
3	Vendors Include:			
4	- The Paradigm Alliance			
5	- Minnesota Common Ground Alliance			
6	- Owatonna Public Utilities (damage prevention meeting)			
7	- KRJB-FM			
8	Customer Service & Information - Acct 5300 Advertising	\$ 6,566	\$ 4,220	\$ 6,000
9	Customer advertising for bill inserts, phone directory listings, Chamber events, customer postcards			
10	Vendors Include:			
11	- Arvig			
12	- Thryv			
13	- Minnesota Community Action Partnership			
14	- Creative Color			
15	- Pinnacle Marketing Group			
16	Admin & General Exp - Acct 6100 Advertising	\$ 2,859	\$ 3,570	\$ 3,600
17	Job postings, website stock photos, etc.			
18	Vendors Include:			
19	- Istock			
20	- Indeed			
21	- Creative Color			
22	- MN Blue Flame			
	<b>Total</b>	<b>\$ 64,537</b>	<b>\$ 62,963</b>	<b>\$ 69,600</b>



## Call Before You Dig!

It's free, it's simple and it's the law.  
Call 811 or 1-800-252-1166

The leading cause of natural gas accidents and pipeline damage is excavation. Before you stab a shovel into your yard, expand a garden or field, or bring in the diggers to excavate an area, **call 811 to learn where gas pipelines and other utilities are buried.**

### 1. Make a Call, Prevent an Emergency

Call 811 ([www.call811.com](http://www.call811.com)) or 1-800-252-1166 ([www.gopherstateonecall.org](http://www.gopherstateonecall.org)) at least two business days before you dig.

### 2. Wait to Dig

Trained technicians will mark the location of the utilities and pipelines at no cost to you.

### 3. Respect Line Markers

Leave line flags in place while you work to prevent an accident.

### 4. Dig with Care

Diligent digging can prevent a visit from the emergency response team.

Contact us with any safety questions.



GREATER MINNESOTA  
GAS

For more information please contact us at:  
888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)



## You Must Clear Away Snow and Ice from Your Meter

Here are some tips to stay safe this winter:

- Know where your gas meter is.
- Keep your meter free of snow and ice buildup by using a broom or by hand. Never use a shovel. Never shovel snow up against your gas meter.
- Take care when operating a snowplow or a snowblower in the vicinity of your gas meter. Never bury your meter or vents when removing snow.
- Keep your meter's regulator and overflow valve clear to ensure it functions properly
- Keep your exhaust vents clear to ensure your gas-operated appliances operate safely.
- Prevent heavy snow or ice from falling on your meter from overhead.
- Maintain a clear path to the meter.
- If you suspect any damage to your natural gas meter call us immediately to report it.



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## Carbon Monoxide Safety

Carbon monoxide (CO) is the colorless, odorless exhaust of gas appliances. An improperly installed gas appliance, incorrectly vented appliance, or improperly used appliance can all cause CO to build up in your home. CO poisoning can cause serious damage to a body or even death fortunately, CO poisoning can be prevented by following a few simple safety tips:

- Know the signs of CO poisoning
- Install a CO detector
- Get your appliances inspected regularly
- Leave outdoor appliances outside

If your CO detector goes off, leave the area and contact us at 888-931-3411. If you are experiencing symptoms of CO poisoning, call 911 to be safe.



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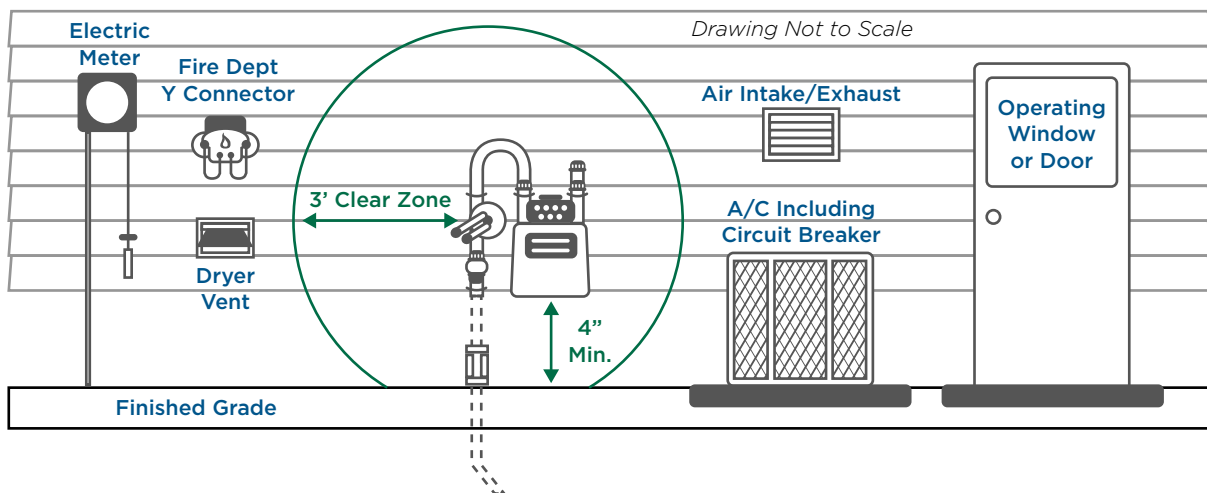
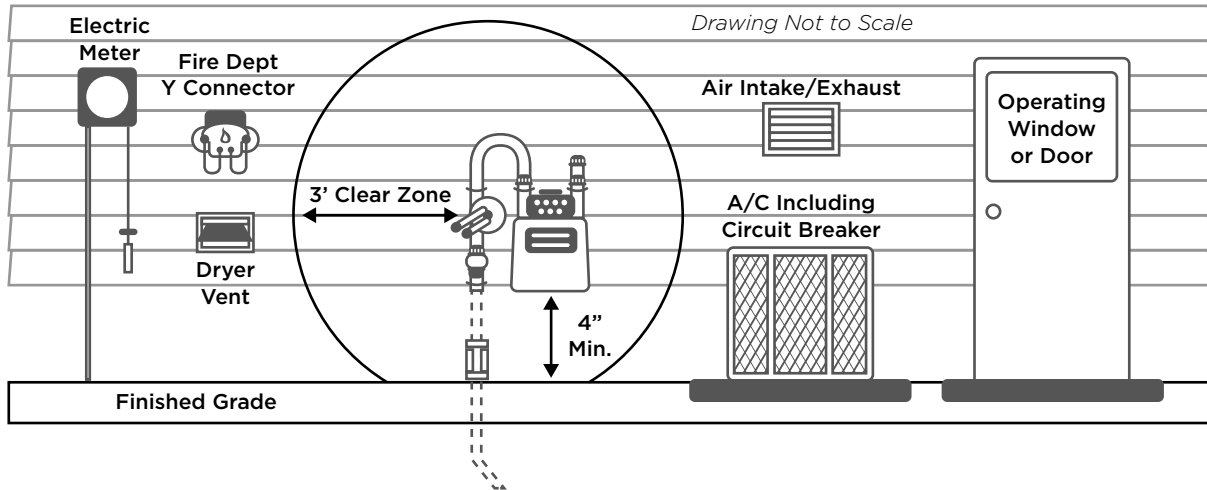


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# GREATER MINNESOTA GAS



## Customer Owned Fuel Lines

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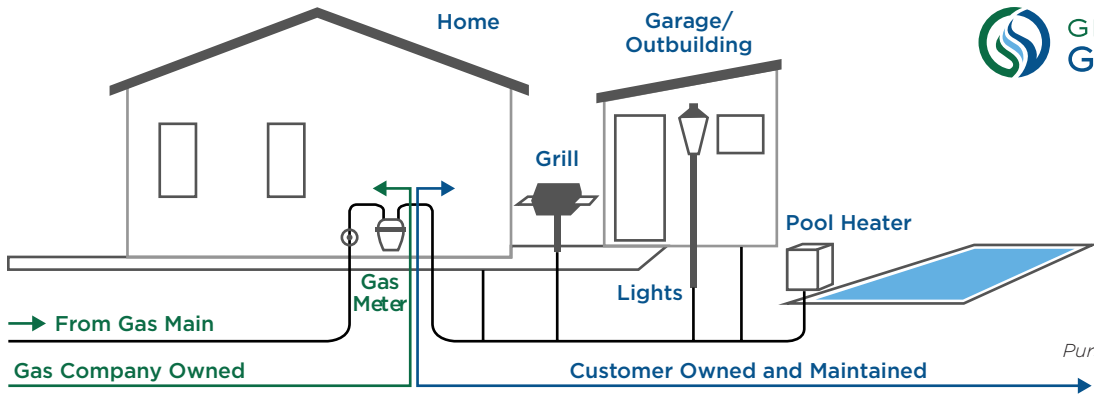


Natural gas piping from the street to your gas meter is owned and maintained by GMG. **ANY PIPING COMING OUT OF THE METER THAT GOES INTO YOUR HOUSE, TO A SHED OR BARN, OR OTHER LOCATIONS IS THE RESPONSIBILITY OF THE HOMEOWNER TO INSPECT, MAINTAIN AND LOCATE.** GMG does not maintain customer-owned piping, and if not properly maintained is subject to corrosion and leakage. Customer-owned piping should be periodically inspected for leaks and corrosion,

and repaired if any unsafe conditions are discovered. When excavating near buried gas piping, the piping should be located in advance, and the excavation done by hand. Gopher State One Call will only locate gas company owned piping and does NOT locate customer-owned piping. GMG can assist you with finding private locators such as plumbing or heating contractors in your area.

*Please see diagram on back...*

Contact us for information about available payment assistance resources  
888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)



*Pursuant to Department of Transportation  
Regulations 49 CFR 192.16*

Contact us for more information  
888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)



**5K RUN/WALK AUGUST 10, 2024, 8:11AM**

**BDE MAKA SKA**



**8/10/24**

**Join us for a safety day @ Bde Maka Ska on  
8/10/2024 at 8:11A.M.**

## charity details

All net proceeds are donated to the Twin Cities Firefighters Operation Warm, a non-profit organization that provides new, warm winter coats for Minnesota children in need.

## event schedule

**7:00 AM** - Registration Opens

**8:00 AM** - Vendor Fair

**8:11 AM** - 5K Start

**9:15 AM** - Kid's Race

## contact information

**Event Organizer**

**Email:** [steve.olinger@centerpointenergy.com](mailto:steve.olinger@centerpointenergy.com)

**Phone:** 612-360-0585

The 811 5K run/walk is a public awareness event that hopes to spread the word about safe digging and damage prevention awareness. A free kids run is scheduled after the race. Participants can also enjoy snacks, water, a variety of safety-themed games and kids medals. Strollers and four-legged family members are welcome.

The 811 run is sponsored by Gopher State One Call (GSOC), Xcel Energy and CenterPoint Energy (CNP)

### **Thomas Beach**

3700 Thomas Ave S, Minneapolis, MN  
55410

### **Registration Fees**

**5k Run/Walk** - \$18.11

**Kid's Run** - Free



Scan the QR code to register for the race now!



## IMPORTANT PIPELINE SAFETY MESSAGES FROM:



GREATER MINNESOTA  
GAS



GREATER MINNESOTA  
TRANSMISSION

**Emergency Number: 888-931-3411**

Office Number: 888-931-3411



Minnesota State law requires you contact Gopher State One Call prior to any digging or excavation activities. Call 811 or visit [www.gopherstateonecall.org](http://www.gopherstateonecall.org).

## ABOUT NATURAL GAS

Natural Gas is lighter than air and will generally rise and dissipate. Natural Gas may gather in a confined space and travel to a source of ignition. Carbon monoxide can build up in a home or other structure when gas appliances are not working properly or when combustion gases are not being safely vented to the outside.

Natural gas is easily ignited by heat, sparks, or flames and will form explosive mixtures with air. Vapors may cause dizziness or asphyxiation without warning and may be toxic if inhaled at high concentrations. Contact with gas or liquefied gas may cause burns, severe injury, and/or frostbite. Breathing in carbon monoxide can cause carbon monoxide poisoning. Severe cases can be deadly. Symptoms may include sudden flu-like symptoms, headaches, shortness of breath, fatigue, nausea or vomiting, dizziness, lightheadedness, mental confusion, drowsiness, rapid or fluttering heartbeat, or unconsciousness.

## PURPOSE AND RELIABILITY OF PIPELINES

Pipelines are the most reliable and efficient way to transport energy resources such as natural gas. The vast network of underground pipelines fuels our homes, businesses, and industries. Because these facilities are generally underground it is important to remind the public of not only the safety of natural gas distribution pipelines, but that it is a clean, reliable, and safe energy source. This communication was designed to provide you with this safety information about natural gas. Please take time to review it.

## PIPELINE SYSTEM OVERVIEW

Gas distribution systems include gas distribution mains and gas service lines. Gas distribution mains are designed to deliver gas from the municipal distribution points, stations, and gas storage facilities to areas of consumption. Gas service lines, through which gas is supplied directly to the consumers, go to buildings and structures. Gathering pipelines are used to transport product from the production site to a central collection location. Transmission pipelines are used to transport product from their respective gathering systems to storage, refining or processing facilities. U.S. Department of Transportation's guidelines require operators to make you aware of certain safety recommendations regarding your underground natural gas piping. Gas Distribution Companies do not maintain gas piping past the customer's gas meter. Piping beyond the customer's gas meter is the responsibility of the customer. Buried customer piping, if not properly maintained, may be subject to corrosion and/or leakage. Your buried piping should be checked periodically to ensure continued safe and reliable operation. You (or the building owner) are advised to contact a licensed contractor to assist you in locating and inspecting your buried gas piping. Should an unsafe condition be discovered, repairs should be made immediately.

## THE SAFETY COMMITMENT

It is extremely unlikely a gas leak will occur, but you should always be prepared. We are committed to protecting you, your property, and the environment. By implementing programs like these we are better equipped to detect the possibility of a leak prior to it occurring. These safety guidelines will provide you with important information to help you avoid dangerous activities that could lead to a gas leak, and what steps to take if a natural gas leak were to occur.

Using the latest technology, security, and industry practices, natural gas pipelines and mains are monitored to maintain service and safety. Natural gas companies execute many programs to ensure your safety, including:

- Design and construction, planning with local agencies
- Integrity Management Programs for transmission pipelines
- Emergency Responder and Excavator Training Programs
- Coordination and communication with police and fire officials
- Pipeline markers
- Monitoring 24 hours a day, 7 days a week
- Inspection and patrol, by aerial and foot
- Public Awareness and Damage Prevention Programs
- Participation in local One-Call system

Gas transmission and hazardous liquid pipeline companies have developed supplemental hazard and assessment programs known as Integrity Management Programs (IMPs). IMPs have been implemented for areas designated as "high consequence areas" (HCAs) in accordance with federal regulations. More specific information on HCA's in your area may be available from your local pipeline operator(s) by contacting them directly.

## DAMAGE PREVENTION AWARENESS

Any digging project requires a call to 811. 811 is the national number for anyone who plans to dig anywhere in the U.S. By simply dialing 811, you will automatically be connected to a representative in your state to walk you through the details of placing a locate request.

Some steps to safe digging:

**NOTIFY** 811 if you plan to break ground

**WAIT** the required number of days (varies by state)

**CONFIRM** all affected utility operators have responded

**RESPECT** the utility marks (paint or flags) \*marks only identify the approximate location

**DIG CAREFULLY** and understand the requirements for digging near a pipeline (varies by state)

To learn more about the leading causes for damages to underground infrastructure or to learn more information about safe excavation practices visit:

<https://commongroundalliance.com/> or <https://call811.com/>

## DIGGING SAFELY AROUND PIPELINES

State laws require you to maintain minimum clearance, or tolerance zone, between the point of excavation and a marked pipeline. The Tolerance Zone is a defined horizontal space from the outside wall or edge of an underground line or pipe. Understanding the 811 (One-Call) requirements, tolerance zone, and damage prevention laws in your area by utilizing the following site:

<https://primis.phmsa.dot.gov/comm/DamagePreventionSummary.htm>

Even the most minor damage to a pipeline can have serious consequences. If you cause or witness even minor damage to a pipeline or its protective coating, do not cover up or attempt to repair the pipeline. Evacuate the area and call 911 and the pipeline company immediately.

Additionally, third-party contractors are subject to the Occupational Safety and Health Administration's (OSHA) requirements. OSHA cites in its "General Duty Clause" possible regulatory enforcement action that could be taken against excavation contractors who place their employees at risk by not utilizing proper damage prevention practices. The lack of adequate damage prevention could subject the excavator to OSHA regulatory enforcement.

## HOW TO RECOGNIZE THE LOCATION OF A PIPELINE

Right-of-ways can be recognized as a strip of land free from trees, shrubbery and structures and could even be on your property.

Pipeline markers are another way to identify a right-of-way and they indicate the approximate location, but not the depth, of a buried pipeline. Although not present in certain areas, these can be found at road crossings, fence lines, and street intersections. The markers display the product transported in the line, the name of the pipeline operator, and a telephone number where the operator can be reached in the event of an emergency.

It is important to report any construction or suspicious activity on a pipeline right-of-way by calling 911.

## TRANSMISSION PIPELINE MAPPING

The National Pipeline Mapping System (NPMS) is a dataset containing locations of and information about gas transmission and hazardous liquid pipelines and Liquefied Natural Gas (LNG) plants which are under the jurisdiction of the Pipeline and Hazardous Materials Safety Administration (PHMSA). For more information visit:

<https://www.npms.phmsa.dot.gov/>



## RECOGNIZING A SUSPECTED PIPELINE LEAK

Using your sense of sight, sound, and smell will help you recognize a suspected leak. Here is what you should look for.

**SIGHT:** Natural gas is colorless, but vapor and "ground frosting" may be visible at high pressures. A gas leak may also be indicated by bubbles in wet or flooded areas, distinct patches of dead vegetation, dust blowing from a hole in the ground or flames if the leak is ignited.

**SOUND:** A hissing or roaring noise along the right-of-way of a pipeline could also indicate a natural gas leak.

**SMELL:** Natural gas has a stale petroleum/hydrocarbon smell. Before it is delivered to your home, natural gas has mercaptan added which gives the gas a sulfur or "rotten egg" smell to help detect leaks. If the gas is from an underground leak, the odorant may be filtered out by the ground.



## WHAT YOU SHOULD *DO* IF YOU SUSPECT A LEAK

**DO** flee the home, building and area of the suspected leak, and get to a safe area.

**DO** call 911 and the pipeline company from a safe distance.

**DO** warn others to stay out of the area.

## WHAT YOU SHOULD *NOT DO* IF YOU SUSPECT A LEAK

**DO NOT** touch, breathe, or contact the leak.

**DO NOT** light a match, turn light switches on or off, use a cell or home phone, or do anything to create a spark.

**DO NOT** attempt to extinguish any fire.

**DO NOT** attempt to operate any valves.

## EMERGENCY PREPAREDNESS INFORMATION FOR EMERGENCY AND PUBLIC OFFICIALS

Take whatever steps necessary to protect the public during a pipeline emergency. The following suggestions are offered only as a guide:

### *Secure the area around the leak*

- Evacuate people from homes, businesses, schools, and other locations
- Erect barricades to prevent access to the emergency site

### *Take steps to prevent ignition of a pipeline leak*

- Reroute traffic
- Assist in shutting off electricity and residential gas supply by qualified individuals
- Prevent ignition sources from entering the emergency site

### *Contact the natural gas operator*

- Contact the natural gas operator as quickly as possible (Pipeline markers provide the company name, phone number and product)
- Do not operate any valves; this action could escalate the emergency
- The natural gas operator will dispatch personnel to help and aid the response to the emergency
- The natural gas operator's personnel will take the necessary actions, such as starting and stopping pumps, opening, or closing valves, and similar steps to minimize the impact of the situation

*Pipeline companies will make their Emergency Response Plan information available to Emergency Responders upon request.*

## 911 TELECOMMUNICATION

911 Dispatch personnel play a critical role in effective response to pipeline incidents. Knowing the companies, their contact information, and the products transported in your respective jurisdiction is important for prompt and correct responses in the case of a pipeline incident. Dispatchers actions can save lives, direct the appropriate emergency responders to the scene, and protect our nations' infrastructure from additional issues that can be caused by improper response. Follow these simple guidelines in the case of a pipeline incident:

- Gather the proper information (if possible): company, product, and release characteristics
- Know the appropriate response to each product
- Warn of ignition sources if possible
- Contact the pipeline company
- Know the wind direction at the time
- Dispatch appropriate emergency responders



## ACERCA DEL GAS NATURAL

El Gas Natural es más ligero que el aire y generalmente se elevará y se disipará. El Gas Natural Puede acumularse en un espacio confinado y viajar hasta una fuente de ignición. El monóxido de carbono puede acumularse dentro de un hogar u otra estructura cuando los aparatos de gas no funcionan correctamente o cuando los gases de combustión no se ventilan de forma segura hacia el exterior.

El Gas Natural se enciende fácilmente por calor, chispas, o llamas y formará mezclas explosivas con el aire. Los vapores pueden causar mareos o asfixia sin previo aviso y pueden ser tóxicos si se inhalan a altas concentraciones. El contacto con gas o gas licuado puede causar quemaduras, lesiones graves, y/o congelación de la piel. La inhalación de monóxido de carbono puede causar envenenamiento por monóxido de carbono.

Los casos graves pueden ser mortales. Los síntomas pueden incluir síntomas repentinos similares a los de la gripe, dolores de cabeza, dificultad para respirar, fatiga, náuseas o vómitos, vértigos, mareos, confusión mental, somnolencia, latidos rápidos o agitación cardíaca, o pérdida de conocimiento.

## PROPÓSITO Y CONFIABILIDAD DE LAS LÍNEAS DE TUBERÍAS

Las líneas de tuberías son la forma más fiable y eficiente de transportar recursos energéticos, tales como el gas natural. La vasta red de líneas de tuberías subterráneas abastece nuestros hogares, negocios e industrias. Debido a que estas instalaciones son generalmente subterráneas, es importante recordar al público no sólo de la seguridad de las líneas de tuberías de distribución de gas natural, sino que también son una fuente de energía limpia, confiable y segura. Esta comunicación fue diseñada para proporcionarle esta información de seguridad sobre el gas natural. Por favor tome tiempo para revisarla.

## RESUMEN DEL SISTEMA DE LÍNEAS DE TUBERÍAS

Los sistemas de distribución de gas incluyen líneas principales de distribución de gas y líneas de servicio de gas. Las líneas principales de distribución de gas están diseñadas para suministrar gas desde los puntos de distribución municipales, estaciones e instalaciones de almacenamiento de gas hasta áreas de consumo. Las líneas de servicio de gas, a través de las cuales se suministra gas directamente a los consumidores, van a edificios y estructuras. Las líneas de tuberías de recolección se utilizan para transportar producto desde el sitio de producción hasta una ubicación central de recolección. Las líneas de tuberías de transmisión se utilizan para transportar producto desde sus respectivos sistemas de recolección hasta instalaciones de almacenamiento, refinación o procesamiento. Las directrices del Departamento de Transporte de EUA requieren que los operadores le informen sobre ciertas recomendaciones de seguridad con respecto a sus tuberías subterránea de gas natural. Las Compañías de Distribución de Gas no mantienen las tuberías de gas más allá del medidor de gas del cliente. Las tuberías que van más allá del medidor de gas del cliente es la responsabilidad del cliente. Las tuberías enterradas del cliente, si no se mantienen adecuadamente, pueden estar sujetas a corrosión y/o fugas. Sus tuberías enterradas deben revisarse periódicamente para garantizar un funcionamiento continuo seguro y confiable. Se recomienda que usted (o el propietario del edificio) se comuniquen con un contratista con licencia para que lo ayude a localizar e inspeccionar sus tuberías de gas enterradas. Si se descubre una condición insegura, las reparaciones deben hacerse de inmediato.

## EL COMPROMISO DE SEGURIDAD

Es extremadamente improbable que ocurra una fuga de gas, pero usted siempre debe estar preparado. Estamos comprometidos a protegerlo a usted, su propiedad y al medio ambiente. Mediante la ejecución de programas como estos estamos mejor equipados para detectar la posibilidad de una fuga antes de que ocurra. Estas directrices de seguridad le proporcionarán información importante para ayudarle a evitar actividades peligrosas que podrían conducir a una fuga de gas, y qué medidas debe tomar si se produjera una fuga de gas natural.

Las líneas de tuberías de gas natural y tuberías principales son monitoreadas para mantener el servicio y la seguridad utilizando la última tecnología, seguridad y prácticas de la industria. Las compañías de gas natural ejecutan muchos programas para garantizar su seguridad incluyendo:

- Diseño y construcción, planificación con agencias locales
- Programas de Manejo de Integridad para las líneas de tuberías de transmisión
- Programas de Capacitación para los Respondedores de Emergencias y Excavadores
- Coordinación y comunicación con la policía y los bomberos
- Marcadores de líneas de tuberías
- Monitoreo las 24 horas del día, los 7 días de la semana
- Inspección y patrullaje, por avión y a pie
- Programas de Conciencia Pública y Prevención de Daños
- Participación en el sistema local de Una-Llamada

Las compañías de líneas de tuberías de transmisión de gas y de líquidos peligrosos han desarrollado programas complementarios de evaluación de peligros conocidos como Programas de Manejo de Integridad ("IMP" por sus siglas en inglés). Los IMP han sido implementados para las áreas designadas como "áreas de alta consecuencia" ("HCA" por sus siglas en inglés) de acuerdo con las regulaciones federales. Usted puede obtener información más específica sobre los HCA en su área poniéndose en contacto directamente con los operadores locales de líneas de tuberías.

# CONCIENCIACIÓN SOBRE LA PREVENCIÓN DE DAÑOS

Todo proyecto de excavación requiere una llamada al 811. El 811 es el número nacional para ser utilizado por cualquier persona que planea cavar en cualquier parte de EUA. Con solo marcar al 811, usted será conectado automáticamente con un representante en su estado para guiarlo a través de los detalles de cómo colocar una solicitud de localización.

Algunos pasos para la excavación segura:

**NOTIFIQUE** al 811 si planea excavar

**ESPERE** el número requerido de días (varía según el estado)

**CONFIRME** que todos los operadores de servicios públicos afectados hayan respondido

**RESPETE** las marcas de utilidades (pintura o banderas) \* las marcas sólo identifican la ubicación aproximada

**CAVE CUIDADOSAMENTE** y comprenda los requisitos para excavar cerca de una línea de tuberías (varía según el estado)

Para obtener más información sobre las principales causas de daños a la infraestructura subterránea o para obtener más información sobre prácticas de excavación seguras, visite:

<https://commongroundalliance.com/>  
o <https://call811.com/>

# EXCAVANDO DE FORMA SEGURA ALREDEDOR DE LAS LÍNEAS DE TUBERÍAS



Las leyes estatales requieren que usted mantenga una distancia mínima, o zona de tolerancia, entre el punto de excavación y una línea de tuberías marcada. La Zona de Tolerancia es un espacio horizontal definido desde la pared exterior o el borde de una línea o tubería subterránea. Comprenda los requisitos del 811 (Una-Llamada), la zona de tolerancia y las leyes de prevención de daños en su área utilizando el siguiente sitio web:

<https://primis.phmsa.dot.gov/comm/DamagePreventionSummary.htm>

Incluso los daños más menores a una línea de tuberías pueden tener graves consecuencias. Si causa o presencia incluso daños menores en una línea de tuberías o su capa protectora, no cubra ni intente reparar la línea de tuberías. Evacúe el área y llame inmediatamente al 911 y a la compañía de líneas de tuberías.

Además, los contratistas externos están sujetos a los requisitos de la Administración de Seguridad y Salud Ocupacional (OSHA, por sus siglas en inglés). La OSHA cita en su “Cláusula General de Obligaciones” posibles medidas impuestas por incumplimiento con las reglamentaciones que podrían adoptarse contra los contratistas de excavación que ponen en riesgo a sus empleados al no utilizar las prácticas adecuadas de prevención de daños. La falta de prevención adecuada de daños podría someter al excavador a las medidas impuestas por incumplimiento con las reglamentaciones de la OSHA.

# CÓMO RECONOCER LA UBICACIÓN DE UNA LÍNEA DE TUBERÍAS

Los derecho-de-paso pueden ser identificados como una franja de terreno libre de árboles, arbustos y estructuras e incluso podrían estar dentro de su propiedad.

Los marcadores de líneas de tuberías son otro modo de identificar un derecho-de-paso y estos indican la ubicación aproximada, pero no la profundidad, de una línea de tuberías enterrada. Aunque no están presentes en ciertas áreas, estos se pueden encontrar en cruces de carreteras, en cercas e intersecciones de calles. Los marcadores muestran el producto transportado en la línea, el nombre del operador de la línea de tuberías y un número de teléfono donde se puede contactar al operador en caso de una emergencia.

Es importante llamar al 911 para reportar cualquier construcción o actividad sospechosa en el derecho-de-paso de una línea de tuberías.

# MAPAS DE LÍNEAS DE TUBERÍAS DE TRANSMISIÓN

El Sistema Nacional de Mapas de Líneas de Tuberías (NPMS, por sus siglas en inglés) es un conjunto de datos que contiene las ubicaciones e información de las líneas de tuberías de transmisión de gas y de líquidos peligrosos y plantas de gas natural licuado (GNL) que están bajo la jurisdicción de la Administración de Seguridad de Líneas de Tuberías y Materiales Peligrosos (PHMSA, por sus siglas en inglés). Para obtener más información, visite: <https://www.npms.phmsa.dot.gov/>

# RECONOCIENDO UNA SUPUESTA FUGA EN UNA LÍNEA DE TUBERÍAS

El uso de su sentido de la vista, sonido y olor le ayudará a reconocer una supuesta fuga. Esto es lo que debe buscar.

**VISTA:** El gas natural es incoloro, pero un vapor y “escarcha en el suelo” pueden ser visibles a altas presiones. Una fuga de gas también puede ser indicada por burbujas en áreas húmedas o inundadas, áreas evidentes con vegetación muerta, polvo que sopla de un agujero en el suelo o llamas, si la fuga se ha encendido.

**SONIDO:** Un siseo o rugido a lo largo del derecho-de-paso de la línea de tuberías puede ser una indicación de una fuga de gas natural.

**OLOR:** El gas natural tiene un olor rancio a petróleo/hidrocarburo. Antes de ser entregado a su hogar, al gas natural se le añade mercaptano, el cual le da al gas un olor a azufre o “huevo podrido” para ayudar a detectar fugas. Si el gas proviene de una fuga subterránea, el odorante puede ser filtrado por el suelo.



## LO QUÉ *SI DEBE* HACER SI USTED SOSPECHA QUE HAY UNA FUGA

*Si* salga de la casa, edificio o área donde piensa que hay una fuga, y llegue hasta un lugar seguro.

*Si* llame al 911 y a la compañía de líneas de tuberías desde una distancia segura.

*Si* advierta a otros que se mantengan fuera del área.

## LO QUÉ *NO DEBE* HACER SI USTED SOSPECHA QUE HAY UNA FUGA

*NO* toque, respire ni haga contacto con la fuga.

*NO* encienda ningún fósforo, no encienda ni apague interruptores de luz, no use un teléfono celular o doméstico, ni haga nada que pueda crear una chispa.

*NO* intente extinguir ningún incendio.

*NO* intente operar ninguna válvula.

## INFORMACIÓN DE PREPARACIÓN DE EMERGENCIA PARA FUNCIONARIOS PÚBLICOS Y DE EMERGENCIA

Tome las medidas necesarias para proteger al público durante una emergencia en una línea de tuberías. Las siguientes sugerencias solo se ofrecen como guía:

### *Aseguren el área alrededor de la fuga*

- Evacuen a las personas de los hogares, negocios, escuelas y otros lugares
- Levanten barricadas para impedir el acceso al lugar de la emergencia

### *Tomen medidas para evitar la ignición de una fuga en una línea de tuberías*

- Desvíen el tráfico
- Ayuden a cortar el suministro de electricidad y gas residencial por individuos calificados
- Eviten que las fuentes de ignición entren en el lugar de la emergencia

### *Póngase en contacto con el operador de gas natural*

- Póngase en contacto con el operador de gas natural lo antes posible (los marcadores de líneas de tuberías proporcionan el nombre de la empresa, el número de teléfono y el producto)
- No utilicen ninguna de las válvulas; esta acción podría intensificar la emergencia
- El operador de gas natural enviará personal para ayudar y asistir a responder a la emergencia
- El personal del operador de gas natural tomará las medidas necesarias, como accionar y detener bombas, abrir o cerrar válvulas, y otras medidas similares para minimizar el impacto de la situación

*Las empresas de líneas de tuberías pondrán su información del Plan de Respuesta a Emergencias a disposición de los Respondedores de Emergencias según sea solicitado.*



## TELECOMUNICACIONES 911

El personal del Servicio 911 desempeña un papel fundamental en la respuesta eficaz a los incidentes en las líneas de tuberías. Es importante conocer las empresas, su información de contacto y los productos transportados en su jurisdicción respectiva para obtener respuestas rápidas y correctas en caso de un incidente en una línea de tuberías. Las acciones de los despachadores pueden salvar vidas, dirigir a los respondedores de emergencias apropiados a la escena y proteger la infraestructura de nuestra nación de problemas adicionales que pueden ser causados por una respuesta incorrecta. Siga estas sencillas directrices en caso de un incidente en una línea de tuberías:

- Recopile la información adecuada (si es posible): empresa, producto y características de la fuga
- Conozca la respuesta adecuada a cada producto
- Conozca la dirección del viento en ese momento
- Advierta si hay fuentes de ignición, si es posible
- Envíe a los respondedores de emergencias apropiados
- Póngase en contacto con la empresa de la línea de tuberías





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## WANT TO KNOW MORE?

- American Gas Association: <https://www.aga.org/>
- Pipeline and Hazardous Materials Safety Administration: <https://www.phmsa.dot.gov/>
- Pipeline Safety Information: [www.pipeline101.org](http://www.pipeline101.org)

For additional industry videos and information scan the QR code below or visit: [https://www.pipelinesafetyinfo.com/ldc\\_information/](https://www.pipelinesafetyinfo.com/ldc_information/)



- [An overview of the pipeline industry](#)
- [How to recognize a pipeline leak](#)
- [The 811 process](#)
- [What's the property owner's responsibility?](#)

Greater Minnesota Gas, Inc. provides natural gas distribution services to residential, commercial, industrial and agricultural customers. Pipeline sizes range from half to six inches in diameter and are comprised of medium density plastic, high density plastic and steel.

Greater Minnesota Transmission operates a regulated sixteen-inch steel natural gas pipeline.

**IMPORTANT SAFETY INFORMATION:** Never store flammable liquids or materials near natural gas appliances, including water heaters. The U.S. Consumer Product Safety Commission (CPSC) urges all users to lower their water heaters to 120 degrees Fahrenheit. In addition to preventing accidents, this decrease in temperature will conserve energy and save money.

In the event of a leak or line hit, we communicate, plan and train with local emergency responders. Upon notification of an event, trained and qualified personnel are dispatched in response. We offer training to emergency response organizations on the hazards of and how to respond to gas-related emergencies at no cost. For information on training, or to obtain a copy of our Integrity Management Plan, Damage Prevention Plan, Pipeline Awareness or Emergency Response Plan, please call us at (888) 931-3411.

The information provided in this brochure, including but not limited to, One-Call center information, websites, state laws, regulatory agencies, has been gathered using the most up to date information available, and provided for informational purposes only. All matter is subject to change without notice. The Paradigm Alliance, Inc. made an attempt to verify all information contained herein as to its accuracy and is not liable for any missing or incorrect information.



**Corporate Office:**  
 1900 Cardinal Lane  
 Faribault, MN 55021  
 Phone: (888) 931-3411  
 Fax: (507) 665-8602  
 Website: www.greatermngas.com

**OPERATOR OVERVIEW**



**Greater Minnesota Gas, Inc. (GMG)** is a regulated natural gas energy company providing natural gas distribution service to residential, commercial, industrial and agricultural customers in primarily rural Minnesota. Pipeline sizes range from half to six inches in diameter and are comprised of medium density plastic, high density plastic and steel.



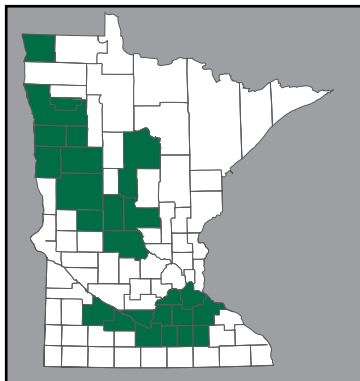
**Greater Minnesota Transmission, LLC (GMT)** is a regulated natural gas energy company providing natural gas access to rural Minnesota. Greater Minnesota Transmission operates a regulated sixteen-inch steel natural gas pipeline.

To deliver natural gas safely and reliably throughout the state, we have three Operational Service Centers to support our pipeline systems:

**GMG Service Center Southern MN**  
 1900 Cardinal Lane  
 Faribault, MN 55021

**GMG Service Center Northern MN**  
 22854 County Highway 6  
 Detroit Lakes, MN 56501

**GMG Service Center Central MN**  
 22 5th Street, Building 1  
 Swanville, MN 56382



**SAFETY IS OUR TOP PRIORITY**

We are committed to public safety, health and the environment through protection, operation, maintenance and routine inspection in compliance with all applicable rules and federal regulations. Our technicians are trained to assure a safe response to operational issues and gas-related emergencies. We conduct periodic leak inspection and patrol for activities near pipelines that may have an impact on safety.

Our Pipeline Awareness Program helps prevent third-party damage and increases the public's awareness of steps to take in the event of any pipeline emergency.

For a copy of our Integrity Management Plan, Damage Prevention Plan, Pipeline Awareness or Emergency Response Plan please call us at (888) 931-3411.

**HOW CAN YOU TELL WHERE A PIPELINE IS LOCATED?**

Natural gas pipelines are installed underground. Therefore, to identify the approximate location, line markers are installed with the company name and emergency telephone number.



**HOW WE RESPOND IN THE EVENT OF A PIPELINE LEAK OR LINE HIT**

To prepare for an event, we communicate, plan and train with local emergency responders. Upon notification of an event, trained and qualified personnel are dispatched in response. Our technicians, in partnership with emergency responders, are trained to protect life, property and facilities.

**EMERGENCY CONTACT:**  
**(888) 931-3411**

<b>PRODUCTS/DOT GUIDEBOOK ID#/GUIDE#:</b>		
Natural Gas	1971	115

**MINNESOTA COUNTIES OF OPERATION:**

Becker	Kittson	Redwood
Blue Earth	Le Sueur	Rice
Brown	Mahnomen	Scott
Cass	Morrison	Stearns
Clay	Nicollet	Steele
Dakota	Norman	Todd
Dodge	Otter Tail	Waseca
Douglas	Polk	
Goodhue	Red Lake	

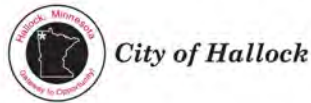
*Changes may occur. Contact the operator to discuss their pipeline systems and areas of operation.*

GMG offers training to emergency response organizations on the hazards of and how to respond to gas-related emergencies at no cost. If you are interested in this training, please call (888) 931-3411.

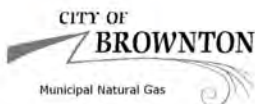


**ALWAYS CALL BEFORE YOU DIG**

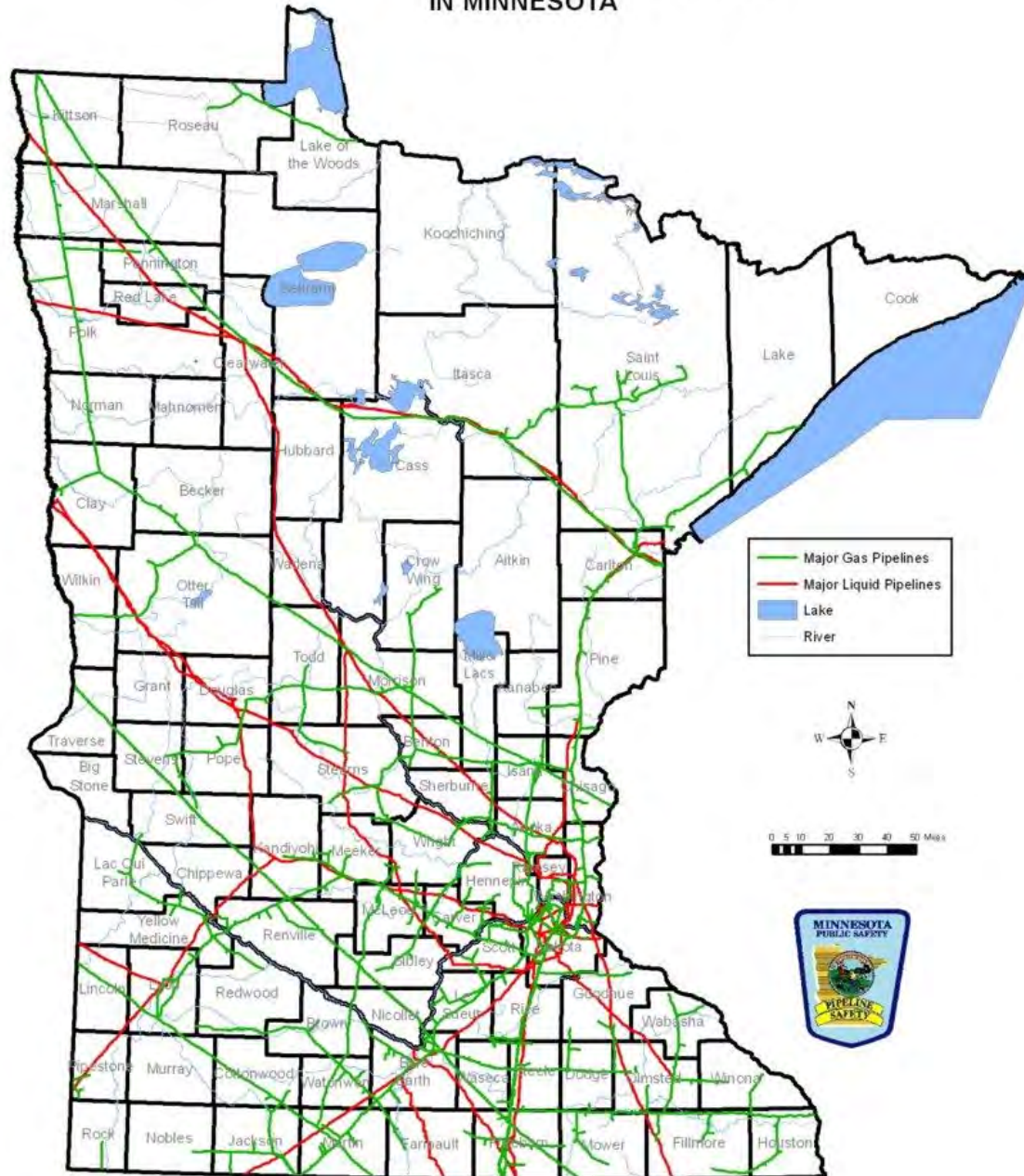
Whether you are a professional excavator or homeowner, in accordance with Minnesota State law, you must contact Gopher State One Call (GSOC) before starting any excavation project if you are using any machine-powered equipment of any kind, or explosives. You may be simply installing a new mail box or planting a tree, whatever the project may be, contacting GSOC before starting your project may allow you to avoid costly damages to underground facilities. Call 811 or visit: [www.gopherstateonecall.org](http://www.gopherstateonecall.org) to start the process. Allow at least two business days before digging.



Public Utilities

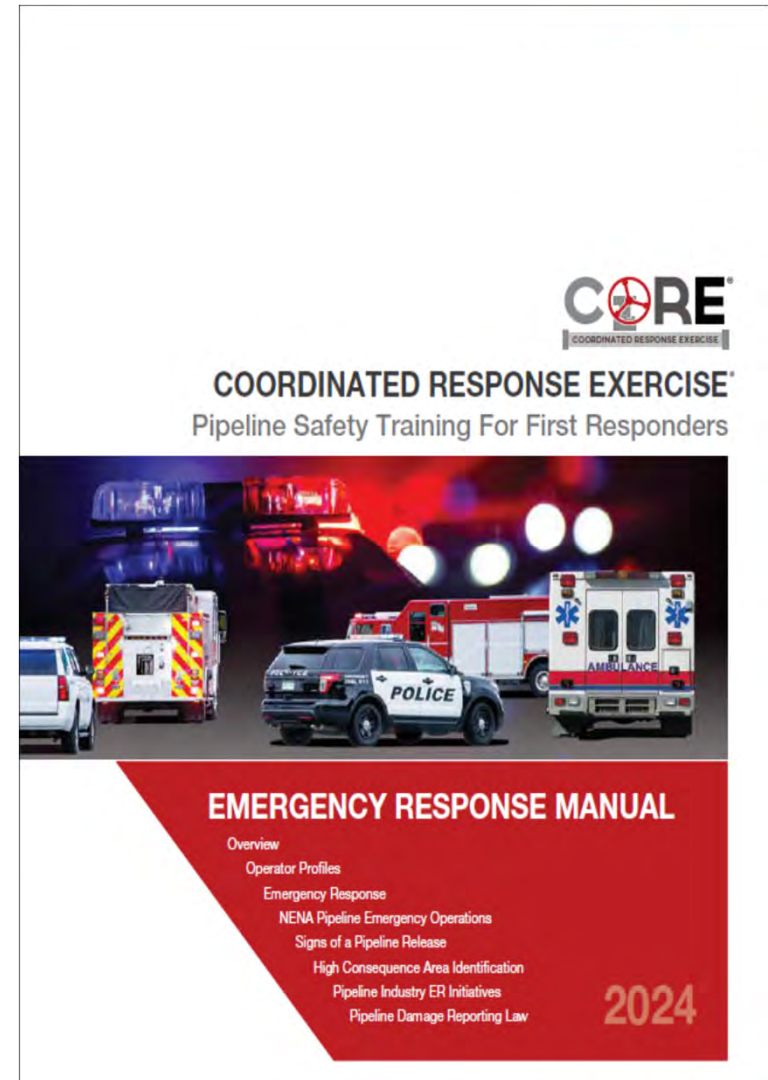


MINNESOTA DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF PIPELINE SAFETY  
MAJOR GAS AND LIQUID PIPELINES  
IN MINNESOTA



- Operator and/or company name
- Pipeline systems and products
- Location of pipelines
- Pipeline size/operating pressure(s)
- Operator Response(s) to a pipeline emergency

\*Information in the materials may not represent all pipeline companies in your area.



- **Learn** your roles and responsibilities as emergency responders should a pipeline emergency happen in your jurisdiction. As well as your access to resources.
- **Acquaint** you with the operator's ability to respond to a pipeline emergency.
- **Identify** the types of pipeline emergencies.
- **Plan** how all parties can engage in mutual assistance to minimize hazards to life, property and the environment.

**Code of Federal Regulations (CFR): 49 CFR Parts 192 and 195**

**Roll Call:** Law Enforcement, Fire, EMS, Emergency Management, Division of Forest Service, State & Federal Officials, School Officials, PSAP & Pipeline Operators



## MINNESOTA PIPELINE CAER ASSOCIATION

Meeting Schedule

Pipeline Operators

Emergency Officials

Public Officials

Affected Public



### Meeting Resources

Affected Public

CoRE and HSEEP Programs

CoRE-EX and Excavator Programs

Damage Prevention

Industry Links

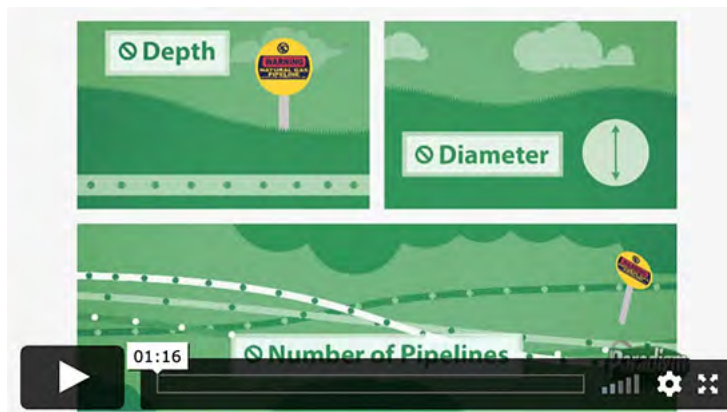
Integrity Management Programs

Leak Recognition & Response

Kid's Korner

National Pipeline Mapping System

Pipeline Location



## Meeting Materials

- 2024 Emergency Response Manual
- 2024 Quick Reference Guide



## COORDINATED RESPONSE EXERCISE<sup>®</sup> Pipeline Safety Training For First Responders



### EMERGENCY RESPONSE MANUAL

- Overview
- Operator Profiles
- Emergency Response
  - NENA Pipeline Emergency Operations
  - Signs of a Pipeline Release
  - High Consequence Area Identification
  - Pipeline Industry ER Initiatives
  - Pipeline Damage Reporting Law

2024





## Pipeline Markers / Right of Way



Paradigm

## Pipeline companies are required to have Integrity Management programs to insure safe and efficient operations:

- Internal and external cleaning and inspection, of the pipeline and affected areas
  - Rights-of-Way and valves
- Supervisory Control and Data Acquisition (SCADA)
- Identification of High Consequence Areas (HCA)
- Aerial Rights-of-Way Patrols
- Public Awareness Outreach to stakeholders
- Participation as a member of 811
- Operator Qualification (OQ) Training
- Local Distribution Company (LDC)
  - Meter Testing
  - Leak Surveys
- May also be utilized on transmission pipelines



## Natural gas and hazardous liquids

- Notify appropriate fire, police, and other public officials of **gas** or **liquid** pipeline emergencies, coordinate planned responses, and actual responses during an emergency
- Identify the type of incident
- Prompt and effective response measures
- Availability of personnel and equipment
- Make safe any actual or potential hazard to life, property, and the environment
- Incident investigation and review

## Natural gas (49 CFR 192.615)

- Establish and maintain communication with fire, police, and other public officials
- Direct actions to protect people, then property
- Emergency shutdown to minimize hazard to life, property, and the environment
- Safely restore service

## Hazardous liquid (49 CFR 195.402)

- Take necessary actions, such as emergency shutdown and pressure reduction
- Control of released hazardous liquid or carbon dioxide at scene to minimize hazards
- Minimize public exposure to injury by taking appropriate actions such as evacuations or traffic controls
- Use instrumentation to assess vapor cloud coverage and determine hazardous areas

## Discussion Based Exercise

### Natural Disasters

- Tornadoes
- Wildfires/Forest Fires
- Flooding/Mudslides/Slips
- Earthquakes

### Human Error

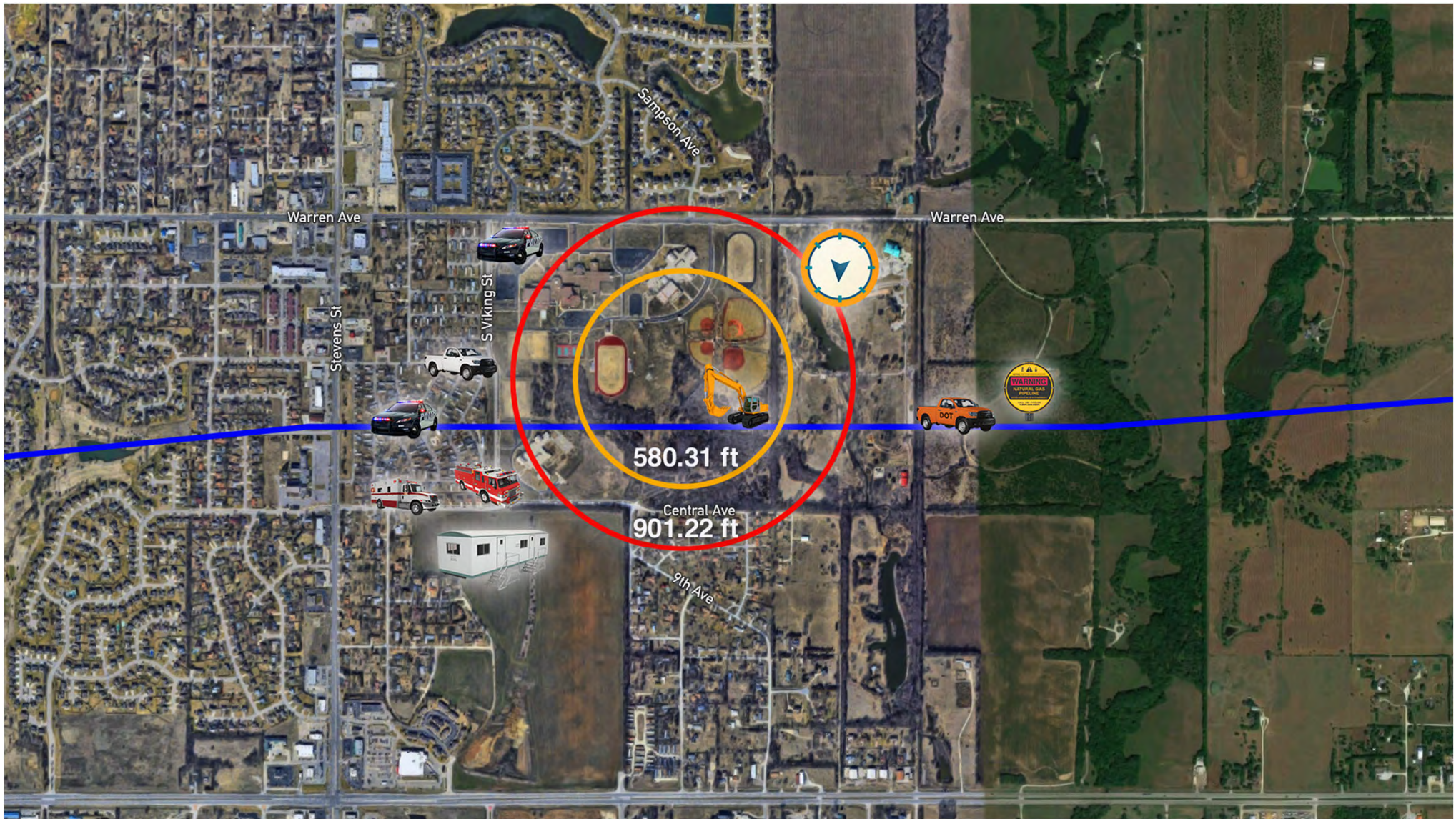
- Vehicle accidents involving above ground valve sites
- Third party strikes by contractors and excavators
- Agricultural activities, field tiling

### National Security Threats

- Cyberterrorism involving pipeline systems
- IED's on pipeline assets



These training programs can also go hand in hand with Homeland Security Exercise and Evaluation Programs (HSEEP)



## Discussion Questions

- **Pipeline Operators:** How do you typically find out about an emergency, and what protocols go into effect when a product release occurs on your system that your local emergency responders may not be aware of (behind the scenes)?
- **Emergency Responders:** How will we deliver coordinated, prompt, reliable and actionable information to the whole community about what is happening? (Mission: Response; Public Information & Warning)
- **Pipeline Operators:** Do you always know where emergency responders will set up an Incident Command Post (ICP)?
- **Emergency Responders:** How will we establish and maintain a unified and coordinated operations structure that appropriately integrates all critical stakeholders and supports the execution of core capabilities? (Mission: Response; Operational Coordination)

## Discussion Questions

- **Pipeline Operators:** How will you get access to the scene if a secured perimeter has been established?
  
- **Emergency Responders:** How will we conduct appropriate measures to ensure the protection of the health and safety of the public and workers, as well as the environment, from all-hazards in support of responder operations and the affected communities? (Mission: Response; Environmental Response / Health & Safety)
  
- **Pipeline Operators:** How will you typically handle communications;
  - At the scene between pipeline operators?
  - At the scene between pipeline operators and the ICP / other emergency responders?
  - Between field pipeline personnel and Control Centers / SCADA Centers?
  
- **Emergency Responders:** How can we ensure the capacity for timely communications in support of security, situational awareness, and operations by any and all means available, among and between affected communities in the impact area and all response forces? (Mission: Response; Operational Communications)

- Timely notification of the incident
- Denied entry at scene of incident
- Quick access to remote valves/ICP
- Getting equipment into the area
- Communications with incident command
- Clear lines of communication (both ways)
- Face to face meetings with local officials
- Pre-planning with emergency services





## Pipeline Emergency Operations Standard

### NENA's pipeline emergency operations workgroup recommendations

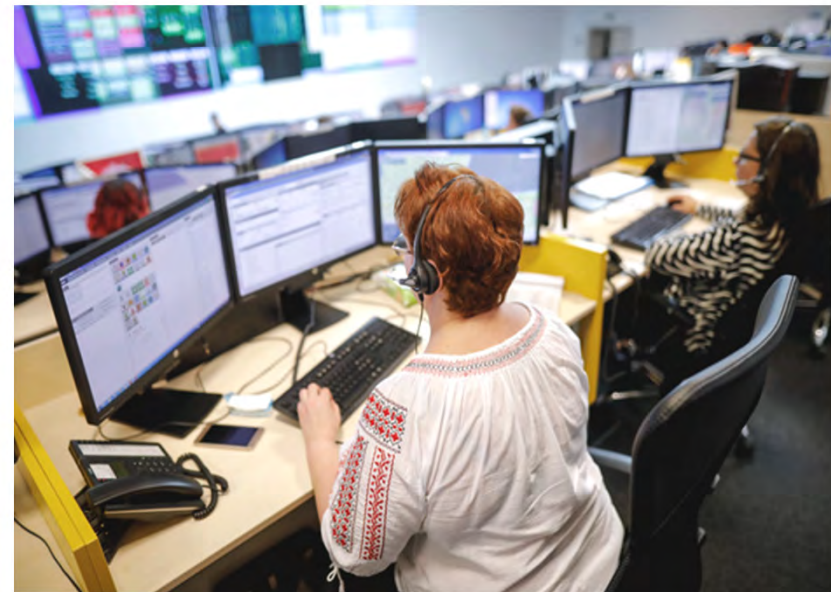
- Awareness of pipelines affecting the 911 service area
- Pipeline leak recognition and initial response actions
- Additional notices to pipeline operators

### Initial intake checklist

- Quick reference guide in program materials

### Pipeline emergency operations standard/model recommendations

- Access the full report through [nena.org](http://nena.org)



**“Actions taken during this time frame significantly impact the effectiveness of the response and are critical to public safety”**

## For both natural gas and hazardous liquids pipelines

- **Rupture mitigation valves** must be installed on all newly constructed and replaced pipelines 6” in diameter or greater for onshore gas transmission, Type A gas gathering and hazardous liquid pipelines
  - This does not include natural gas distribution pipelines
- Pipeline operators must contact **9-1-1 or Emergency Management** with a ‘notice of potential rupture’

## How does this rule potentially affect PSAPs

- How will your agency process this call when notified of a ‘potential’ release?
  - Will you record it and not pass it on to your response agencies?
  - Will you record and pass that information on to your response agencies?
  - Will this require your PSAP (and emergency services) to develop written policies?
  - Where, potentially, could this call be coming from?
  - Pipeline control center locations
    - Contacting a PSAP through the non-emergency number (no Automatic Number Identification (ANI), No Automatic Location Identification (ALI))
    - Is this number monitored 24/7?
- Pipeline operators were required to update their Emergency Response Plans (ERP) with this requirement in October 2022

**NPMS** NATIONAL PIPELINE MAPPING SYSTEM

# Pipeline Information Management Mapping Application

**GOVERNMENT OFFICIAL** **PIPELINE OPERATOR** **GENERAL PUBLIC** **FIRST-TIME VISITOR**

**PIMMA USER LOGIN**  
PASSWORD PROTECTED VIEWER RESTRICTED TO GOVERNMENT OFFICIALS AND PIPELINE OPERATORS

[LOGIN](#) [APPLY FOR PIMMA ACCESS](#) [PIMMA IPHONE APP](#)

[Forgot Login?](#)

**PUBLIC MAP VIEWER**  
PIPELINE MAPS FOR THE GENERAL PUBLIC - NO PASSWORD REQUIRED

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**PHMSA**  
Pipeline and Hazardous Materials  
Safety Administration

The National Pipeline Mapping System contains information about hazardous liquids and gas transportation pipelines under the jurisdiction of US DOT PHMSA.  
© 2023 - All Rights Reserved | PHMSA - Pipeline and Hazardous Materials Safety Administration

**811** [Call Before You Dig](#)

U.S. Department of Transportation

**Paradigm**

## Hazardous Liquids

ER Guide 128 (Pages 192-193)\*

- Crude oil, jet fuel, gasoline and other refined products
- **Liquid in and liquid out of the pipeline**

## Highly Volatile Liquids

ER Guide 115 (Pages 166-167)\*

- Propane, Butane, Ethane and natural gas liquids
- **Liquid in and vapor out of the pipeline**

## Natural Gas

ER Guide 115 (Pages 166-167)\*

- Gas in and gas out of the pipeline
- **Odorant Mercaptan added where required**

\*These ER Guide and page numbers are from the 2020 edition of the Emergency Response Guidebook



## Mobile Applications: Android and iPhone



**ERG 2020** 12+  
National Library of Medicine  
Designed for iPad  
#147 in Reference  
★★★★★ 4.1 • 46 Ratings  
Free



**Chemical Safety Data Sheets - ICSC** 12+  
ThatsMyStapler Inc.  
Designed for iPad  
★★★★★ 4.4 • 112 Ratings  
Free



**CAMEO Chemicals** 12+  
National Oceanic and Atmospheric Administration  
★★★★★ 4.1 • 19 Ratings  
Free



**CBRNResponder** 4+  
First Responder Resource  
Chainbridge Technologies  
Designed for iPad  
★★★★★ 3.0 • 3 Ratings  
Free



**Chemical Hazards Pocket Guide** 12+  
ThatsMyStapler Inc.  
Designed for iPad  
★★★★★ 4.6 • 31 Ratings  
\$7.99



**NPMS Public Viewer** 4+  
Pipeline and Hazardous Materials Safety Administration  
Free  
NPMS Public Viewer available only from Apple App Store – Not available for Android phones.



**NIOSH Mobile Pocket Guide** 17+ **CSC** 12+  
Chemical Hazard Data  
Centers For Disease Control and Prevention  
Designed for iPad  
★★★★★ 3.3 • 11 Ratings  
Free



For 24/7/365 emergency CBRNResponder support, call our hotline: (855) 485-9499

RadResponder – BioResponder – ChemResponder - Interagency Modeling and Atmospheric Assessment Center (IMAAC). Apply for access (cbnrnsponder.net)

**ER Guide 125** (Pages 186-187)

## Potential Hazards

- Toxic; may be fatal if inhaled, ingested or absorbed through skin
- Cloud may not be visible
- Vapors are initially heavier than air and spread along ground
- Wear full protective clothing/SCBA

## Health Hazards

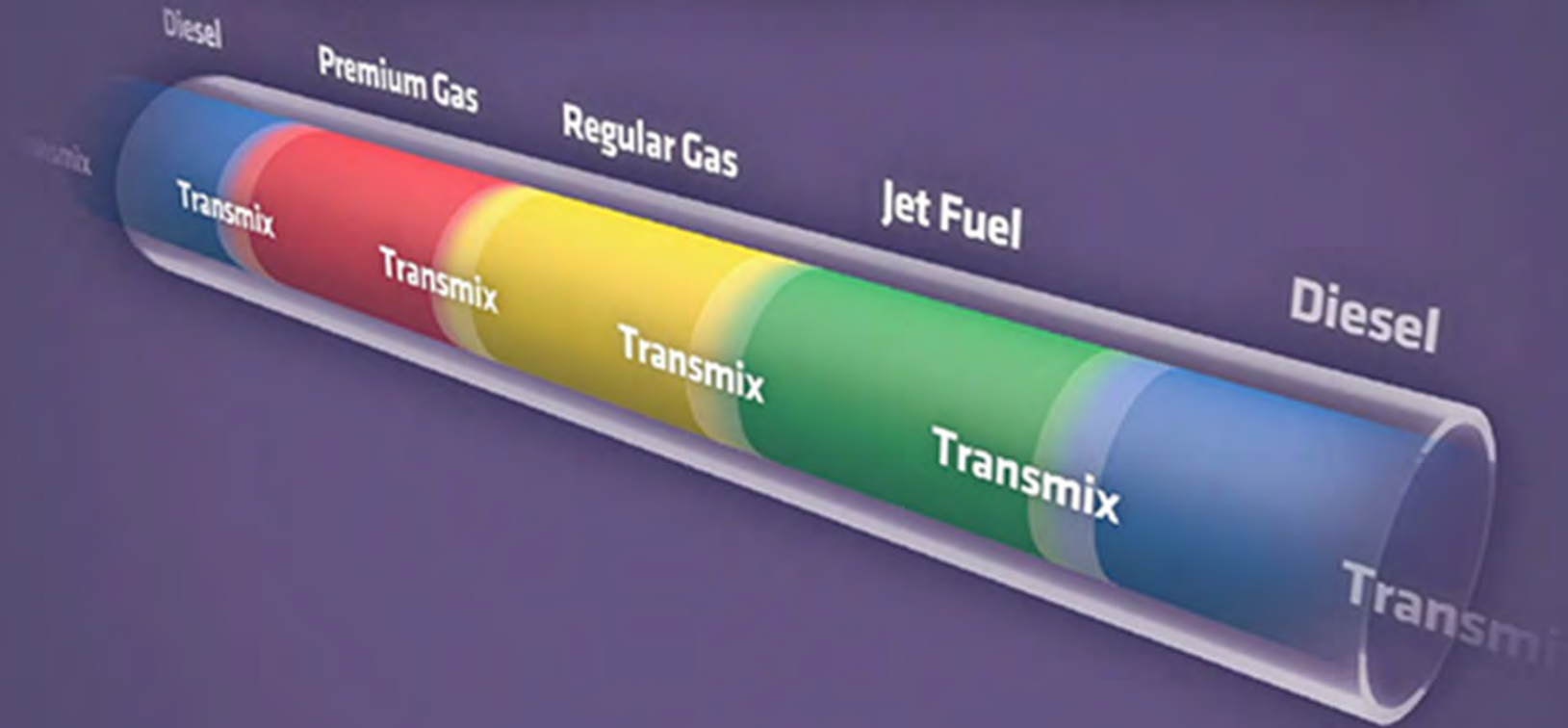
- Vapors may cause dizziness or suffocation
- Vapors are extremely irritating and corrosive
- Contact with gas or liquefied gas may cause burns, severe injury and/or frostbite
- Fire will produce irritating, corrosive and/or toxic gases
- (LEL) 15% to (UEL) 28% (NIOSH Pocket Guide to Chemicals)

## Public Safety

- Immediate precautionary measure, isolated spill or leak area at least 330 ft all directions
- Keep unauthorized personnel away
- Stay upwind and/or upstream
- Vapors are lighter than air



## Pipeline Products Batching



**Derailments, car accidents, excavating/farming mishaps, natural disasters, and wildfires**

## PHMSA Advisory Bulletin (2012-08)

- Based on National Transportation Board recommendation
- Inform emergency responders about the benefits of 811
- Identify underground utilities in the area
- Notify underground utilities in the area





## Considerations when responding to tank farms/ terminals

### Work with your local operator to:

- Develop an effective response plan
- Identify products and hazards
- Determine evacuation radius

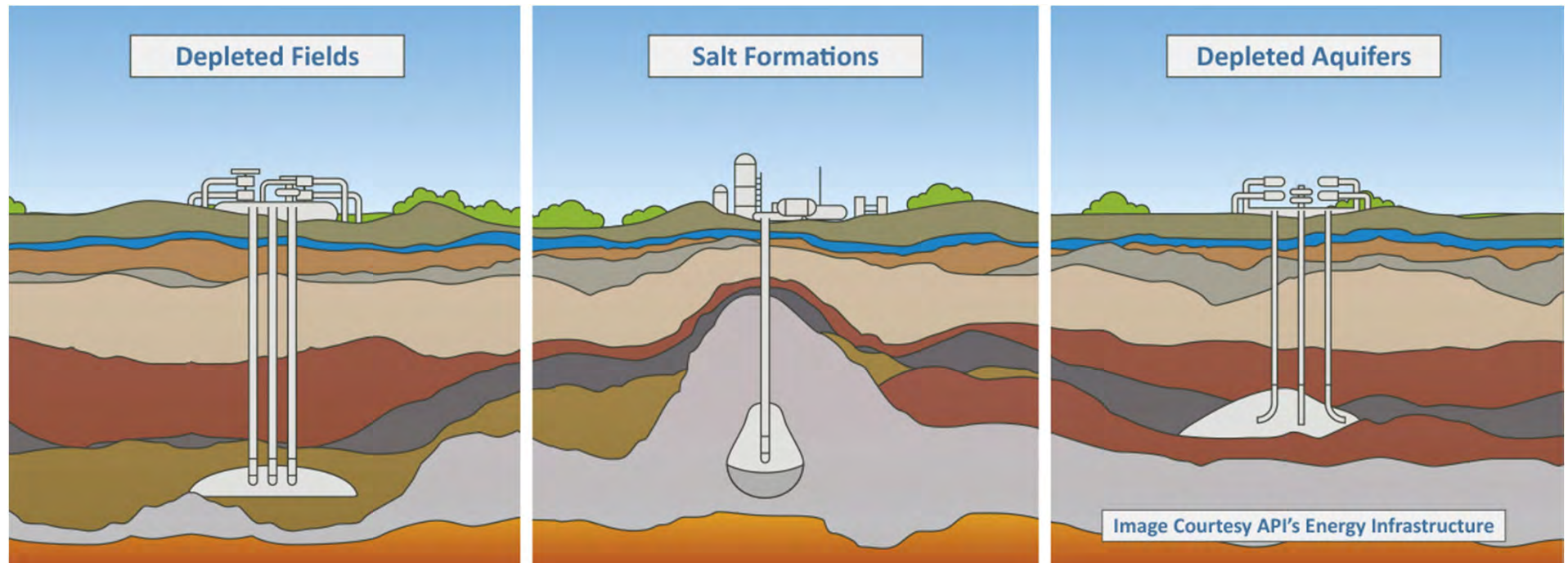
### Response recommendations:

- Cool tank(s) or nearby containers by flooding with water
- Use unmanned hose holders/monitor nozzles
- Do not direct water at safety devices or icing may occur
- Let product burn, even after air supply line/system is closed
- Beware of the potential for **Boiling Liquid Expanding Vapor Explosion (BLEVE)**



## Emergency response "non-intervention"

- Emergency contact information found on pipeline markers and all wellhead locations
- Always be aware of wind direction; walk into the wind, away from hazardous fumes
- Do not drive into a leak or vapor cloud
- Monitor combustible atmosphere
- Determine hazardous area and escape routes



## Pipeline Leak Recognition



Paradigm

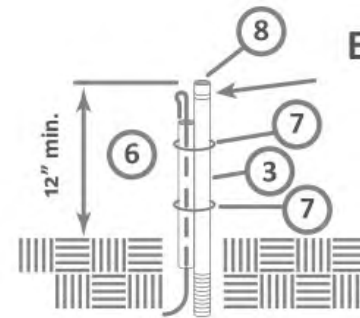
## Caution

- Be aware, not all natural gas leaks are from excavation; unintended leaks from stoves, water, heaters, furnaces, etc. can occur
- When called out on natural gas leak events, use combustible gas indicators
- Mercaptan can be stripped as it travels through soil
- Frost heaves, breaking pipes
- Gas meter breaks due to snow buildup from melting snow falling from roofs

## Excess flow valve meter tags

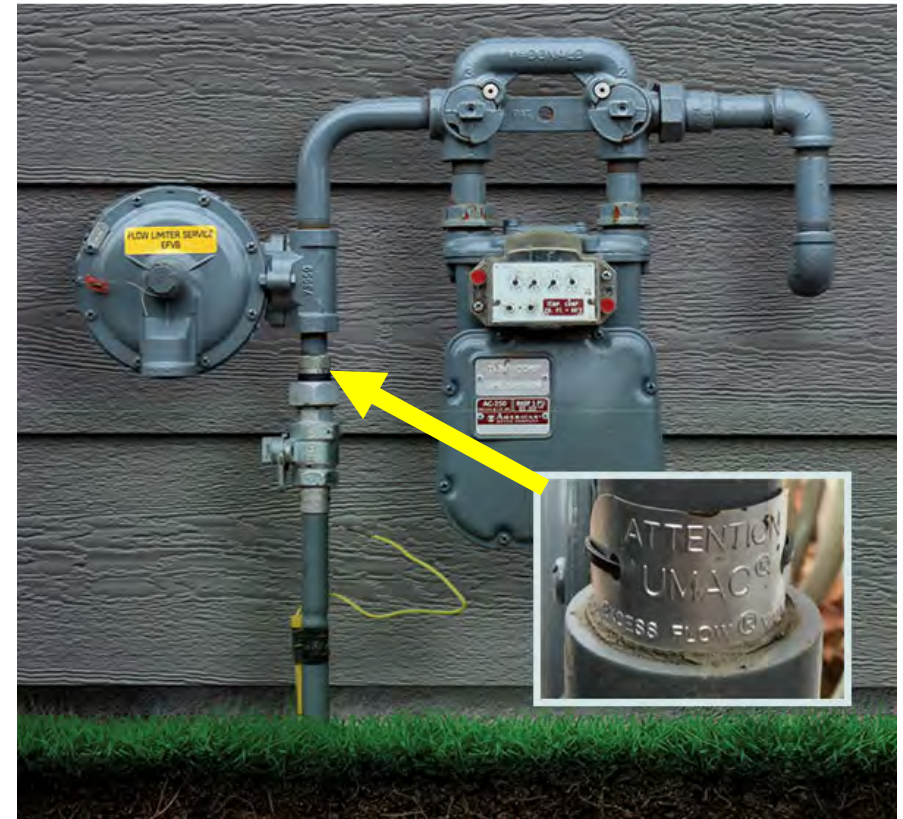
### Identification tags [192.381(c)]

- The presence of an excess flow valve on the service lines must be marked with an identification tag. The identification tag will typically be located at the top of the service riser below the meter stop valve



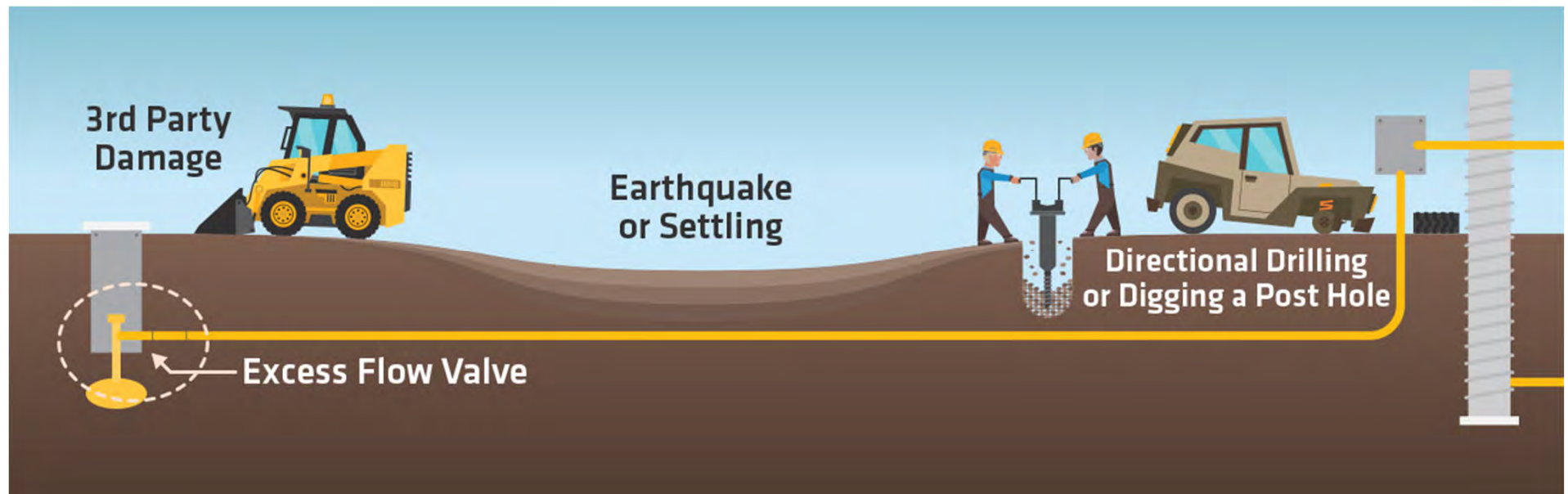
**EFV Identification Tag**

- 8 = EFV identification tag
- 6 = Protective sleeve for locate wire zip tie or electrical tape to secure
- 7 = Sleeve to the gas riser
- 3 = Gas Riser

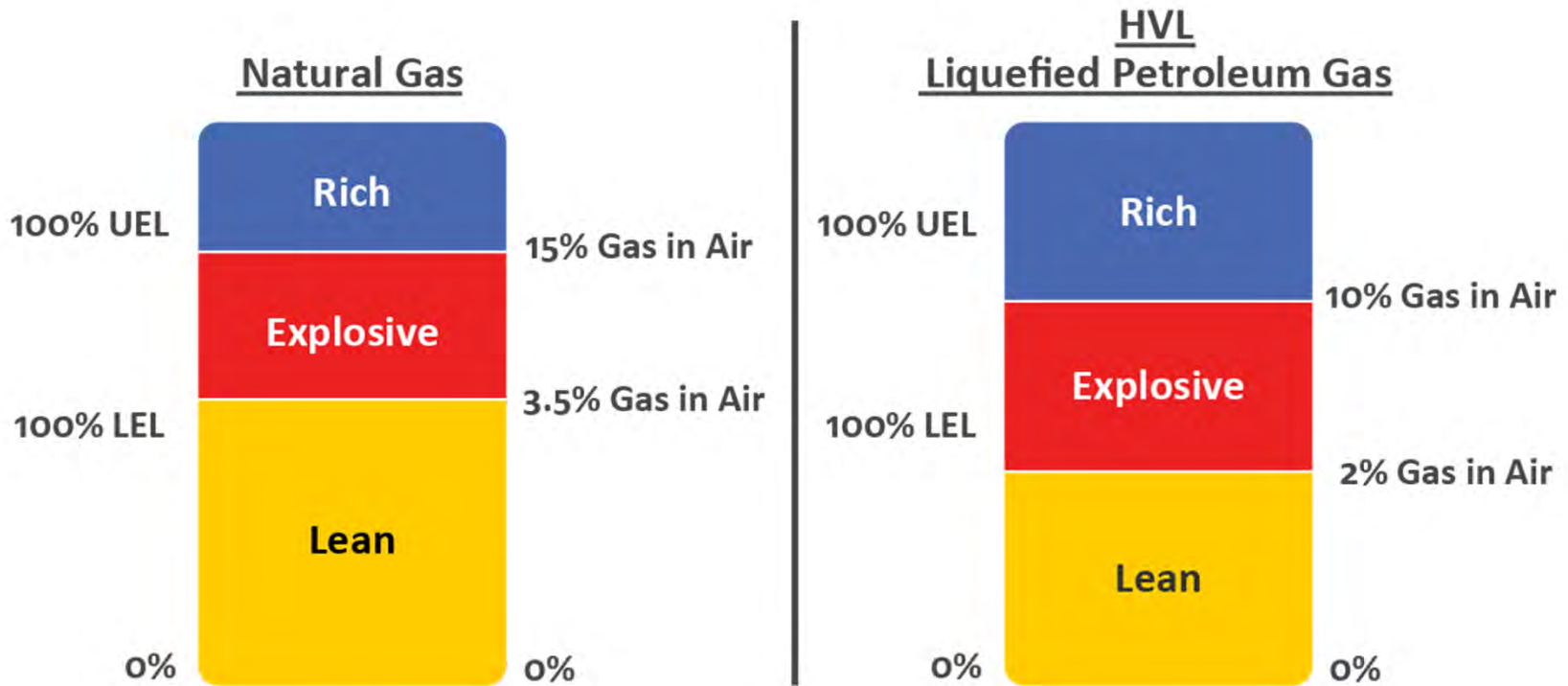


## Local Distribution Lines

- Automatic reduction of gas flow should a service line break
- May not completely stop the flow of natural gas
- May not hear a distinct hissing sound
- Migration and ignition sources may still exist
- Always work a coordinated response with your local operator
- Not all service lines have an EFV installed



## Explosive Limits vs. Percent of Gas in Air



Lower / Upper explosive limits depend on characteristics of specific product.

- Mainly in rural areas, some natural gas pipeline companies may have facilities commonly referred to as "farm tap"
- These natural gas settings are made up of valves, pipes, regulators, relief valves and a meter. It may be located near the home or within the general vicinity
- To report the smell of gas near a farm tap, call 911 and the local gas distribution company from a safe distance
- The lines after a farm tap or residential meter are PRIVATE LINES. Be aware of these.



## Directional Drilling / Cross Bore



*Paradigm*

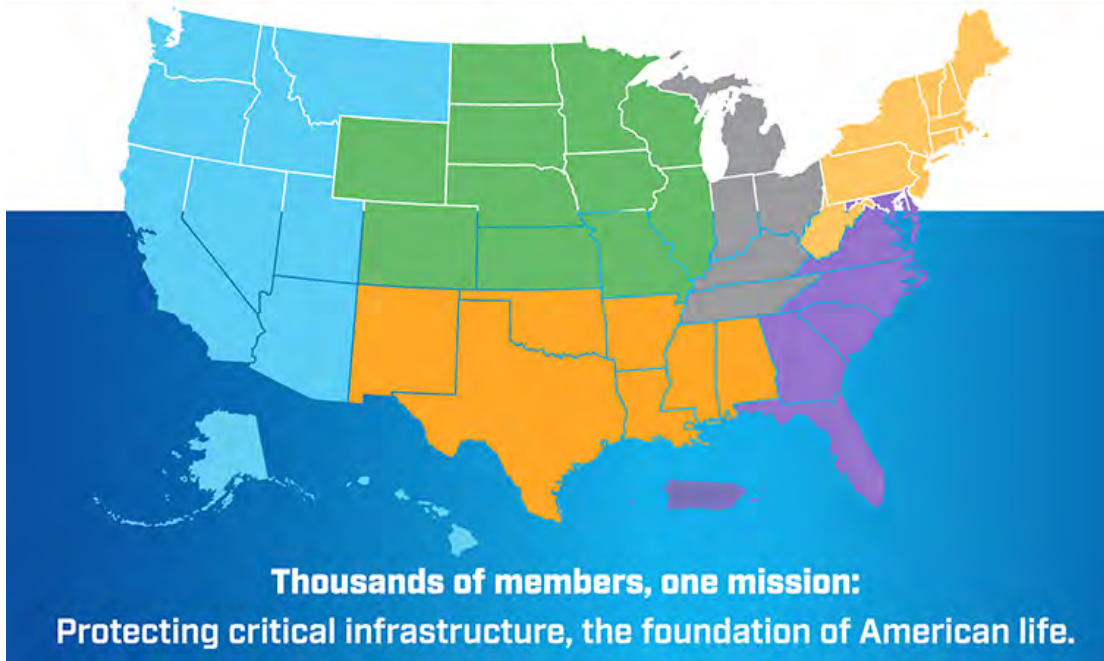


- What information will you always find on a pipeline warning marker?
- What product is odorless, colorless, and tasteless in its natural state?
- The three basic categories of pipeline products are natural gas, hazardous liquids, and highly volatile liquids?



InfraGard is a partnership between the FBI and members of the private sector for the protection of U.S. Critical Infrastructure.

## INFRAGARD MEMBER ALLIANCES



<https://infragard.org>

## 16 Critical Infrastructure Sectors:

- Chemical
- Commercial Facilities
- Communications
- Critical Manufacturing
- Dams
- Defense Industrial Base
- Emergency Services
- Energy
- Financial Services
- Food and Agriculture
- Government Facilities
- Healthcare and Public Health
- Information Technology
- Nuclear Reactors, Materials, and Waste
- Transportation Services
- Water & Wastewater Systems

## PHMSA Advisory Bulletin issued October 2010

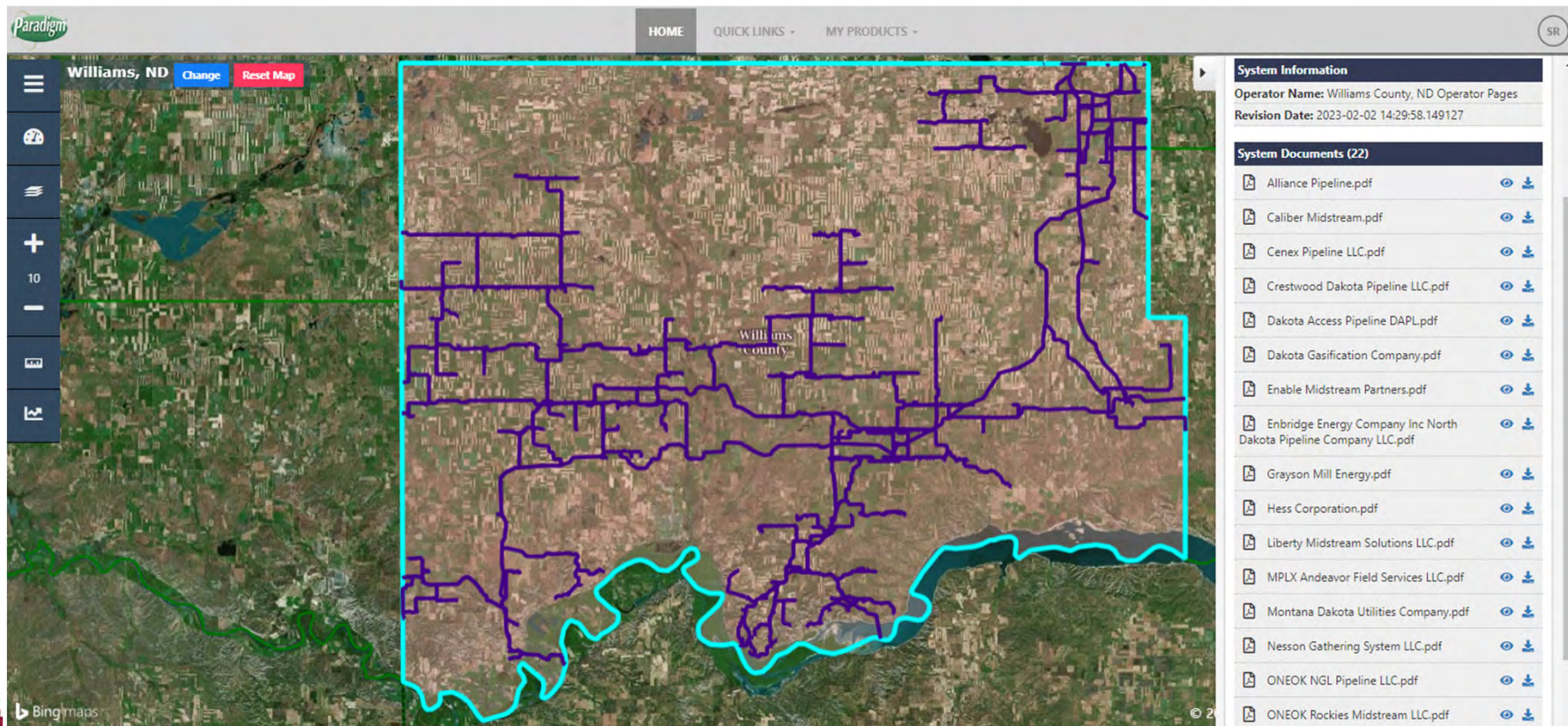
<https://my.spatialobjects.com/admin/register/ERPP>

Provides agencies secure access to participating pipeline operator profiles include:\*

- Contact information
- Counties of operation
- Product(s) transported



\*Additional information updated to share pipeline mapping, emergency response plans.



The screenshot displays the ERP web application interface. The main map area shows Williams, ND, with a cyan outline of the county and a dense network of purple lines representing pipelines. The interface includes a sidebar with navigation tools (home, search, layers, zoom, full screen), a top navigation bar with 'HOME', 'QUICK LINKS', and 'MY PRODUCTS', and a right-hand panel with 'System Information' and 'System Documents (22)'. The 'System Information' section shows 'Operator Name: Williams County, ND Operator Pages' and 'Revision Date: 2023-02-02 14:29:58.149127'. The 'System Documents (22)' section lists various pipeline operator PDFs, such as 'Alliance Pipeline.pdf', 'Caliber Midstream.pdf', 'Cenex Pipeline LLC.pdf', 'Crestwood Dakota Pipeline LLC.pdf', 'Dakota Access Pipeline DAPL.pdf', 'Dakota Gasification Company.pdf', 'Enable Midstream Partners.pdf', 'Enbridge Energy Company Inc North Dakota Pipeline Company LLC.pdf', 'Grayson Mill Energy.pdf', 'Hess Corporation.pdf', 'Liberty Midstream Solutions LLC.pdf', 'MPLX Andeavor Field Services LLC.pdf', 'Montana Dakota Utilities Company.pdf', 'Nesson Gathering System LLC.pdf', 'ONEOK NGL Pipeline LLC.pdf', and 'ONEOK Rockies Midstream LLC.pdf'. Each document entry includes a download icon and a link icon.

## Share with others in your agency unable to attend today's program

- Access to your local pipeline sponsor information
- Download the same documents presented in this program
- Certificate of completion provided upon completion of course



[trainingcenter.pdigm.com](http://trainingcenter.pdigm.com)

**Use Code: 2024CORE**

**911 Communications Director:** Appreciate the opportunity to do this online and have it available for my staff. Very informative!

**Battalion Chief:** Thank you for the information: I also like the fact of being able to take the course online when I cannot make the live sessions.

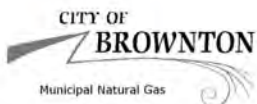
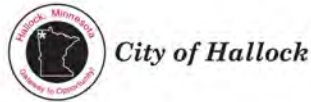
**Commissioner:** Very informative and increased my awareness of the resources available to our county leadership in case of an emergency.

**Deputy Emergency Management Coordinator:** Excellent presentation, Thank you for the resources and useful web pages.

**Director of Public Safety:** Excellent presentation. Thank you for the ability to take class online due to scheduling conflict.

**Fire Chief:** Thank you for providing this informative course. I would like to see more courses like this. It is a very good review and helps us tremendously.

**Police Chief:** The training is very informative, and I will pass this onto our Fire Department and our Law Enforcement Supervisors. Great job!!!



## ANNOUNCING OUR NEW BILLING & PAYMENT SYSTEM

GMG is now providing a new invoice format, the first step in the implementation of an improved billing and payment system partnership with Starnik.

Simply click on the StarnikPay logo or Pay My Bill to register for the new online customer portal. You can find your new account number and unique security code on your bill.

- View your bill and account history
- Enroll in AutoPay
- Make a payment
- Connect multiple accounts together
- Go Paperless
- Find Rebate Information
- Snowbirds? Update your account
- Safety Information

### Important! Auto-Pay Information Effective January 2024

**If you were previously registered for automatic payment, you will need to re-enroll.**

Pay by checking account and there is never a utility payment fee. For all credit or debit card payments there will be a 2.75% utility payment fee added to your payment.



GREATER MINNESOTA  
GAS



For more information please contact us at:  
888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)

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GAS



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For more information please contact us at:  
888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)



## PAYMENT INFORMATION

### Acceptable Forms of Payment:

**Bank Account** - No utility payment fee charged.

**Credit/Debit Card** - Visa, Mastercard or Discover. As of January 2024, a "utility payment fee" of 2.75% with a minimum charge of \$1.50 will apply.

**Cash** - Cash can only be accepted in our main business office.

### Payment Methods:

**Auto Pay - Important! If you were previously registered for auto-pay, you will need to re-enroll.** Your payment will automatically be deducted three days before your due date.

**BankPay** - Use your bank account. There is never a utility payment fee.

**Pay By Mobile Device** - There is no need for an app, click on Pay My Bill on our website.

**Pay By Phone 1-507-291-3232** - Use the new automated phone system.

**Call Us 1-888-931-3411**

**Pay By Mail** - Greater Minnesota Gas  
1900 Cardinal Lane, Faribault, MN 55021.



GREATER MINNESOTA  
GAS



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**Pay By Mobile Device** - There is no need for an app, click on Pay My Bill on our website.

**Pay By Phone 1-507-291-3232** - Use the new automated phone system.

**Call Us 1-888-931-3411**

**Pay By Mail** - Greater Minnesota Gas  
1900 Cardinal Lane, Faribault, MN 55021.



GREATER MINNESOTA  
GAS



For more information please contact us at:  
888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)

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## Budget Program

Consistent, Predictable & Convenient

Let us take the worry out of paying higher heating bills during cold weather months by enrolling in our **Budget Payment Plan**.

It's simple – We calculate your projected annual energy bill based on your previous use and the most current forecasted fuel rates. Then divide that into 12 equal monthly payments. We review your account periodically and adjust your budget to ensure you stay on track.

Customers already enrolled in our Budget Payment Plan need only to review their current bill to be aware of any changes.

**We are here to help.** Call (888) 931-3411 for more information or to enroll in our Budget Payment Plan.



GREATER MINNESOTA  
GAS

IGBP-04

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## CREATING LASTING PARTNERSHIPS THAT MATTER

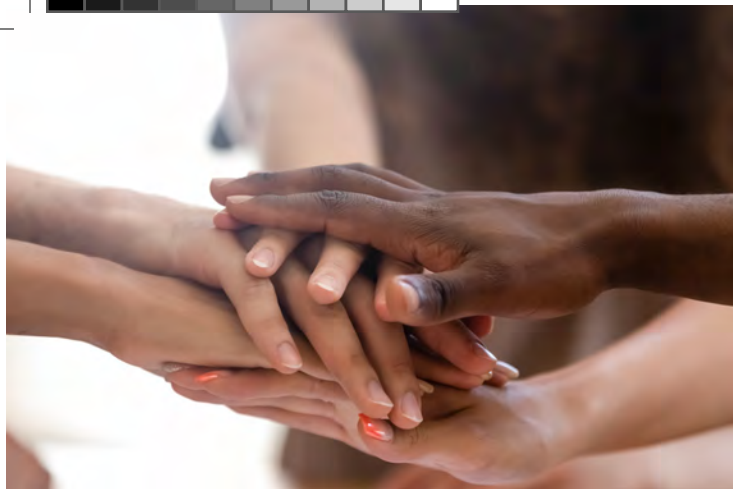
We want to express our sincere thank you to the Minnesota Community Action Partnership and its member agencies who work hard to keep our families **safe, warm and fed.**

*Changing Lives with Energy* -  
Proudly providing access to natural gas  
in rural communities since 1995.



GREATER MINNESOTA  
GAS

888-931-3411 | [greatermngas.com](http://greatermngas.com)



### Gas Affordability Program

If you qualify for Energy Assistance you may also be eligible for our Gas Affordability Program (GAP). This program offers funds to help pay past due balances and establish an affordable, consistent monthly payment and is administered by Energy Cents Coalition (ECC) for GMG.

Please visit the MN Commerce Department for **qualifying income guidelines**: <https://mn.gov/commerce/energy/consumer-assistance/energy-assistance-program/guidelines.jsp>

To **apply to the GAP program** visit: <https://www.energycents.org/apply-now>

**We are here to help.** For more information contact us at 888.931.3411.

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GREATER MINNESOTA  
GAS

IGGAP-02



GREATER MINNESOTA  
GAS

IGGAP-02



GREATER MINNESOTA  
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IGGAP-02

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888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)



# GREATER MINNESOTA GAS

1900 Cardinal Ln  
Po Box 798  
Faribault MN, 55021  
Toll Free: (888) 931-3411  
Fax: (507) 665-2588  
[www.greatermngas.com](http://www.greatermngas.com)

Dear Greater Minnesota Gas Customer:

If you have qualified for and are receiving Energy Assistance for the current heating season you may also qualify for GMG's Gas Affordability Program (GAP). If you are awarded Energy Assistance, you will likely qualify for the GAP Program.

GAP can help you in two ways:

- **Affordability component:** GAP helps customers better manage monthly energy costs. Once enrolled in GAP, customers make an affordable monthly payment and by doing so, receive a monthly affordability credit on your natural gas bill.
- **Arrearage component:** GAP can help customers with a past due balance. Customers who have a past due balance, and successfully make monthly GAP payments will receive an additional credit on your natural gas bill toward their arrears/past due balance.

To participate in GAP, the following requirements must be met:

- GAP customers must pay their bills on time; late or missed payments may result in removal from the program for the remainder of the calendar year.
- GAP customers must receive Energy Assistance Program funds during the heating season.
- GAP customers must provide notice if they move or if household income changes.
- GAP customers must agree to the program terms and conditions.

GAP is offered by GMG and is administered in conjunction with the Energy CENTS Coalition (ECC). If you are interested in applying, please complete the enclosed Gas Affordability Program Application and return it to Energy CENTS Coalition, or Greater Minnesota Gas. If you have additional questions, please contact GMG at 888-931-3411 or the Energy CENTS Coalition at 651-774-9010.

Sincerely,

Greater Minnesota Gas, Inc.

**YOU MUST COMPLETE AND SIGN THIS FORM TO APPLY (PLEASE PRINT)**

Name (s) on Account	
Service Street Address	
City, State & Zip Code	
Home or Mobile Phone	
Work Phone	
Email Address	

\*GMG Account Number: \_\_\_\_\_

**INCOME INFORMATION** - Please include income from all sources for all household members (except food stamps).

What is your current annual household income?	\$	per year
What was your total household income for the past three months?	\$	last 3 months
How many people live in your household?		
Do you own or rent? (circle one)	Own	Rent

House		Townhome	
Duplex		Triplex	
Fourplex		Condominium	
		Apartment	
		Mobile Home	
		Other	

**By signing this document, I am applying for the Gas Affordability Program and am agreeing to the following:**

- I have received Energy Assistance for the current Low Income Home Energy Assistance Program (LIHEAP).
- I agree to allow GMG to use payment information to evaluate the program.
- I agree to allow the Energy CENTS Coalition to obtain necessary account information from GMG, including LIHEAP status, to process my GAP application.
- I agree to allow GMG to share my information with the Energy CENTS Coalition and the Neighborhood Energy Connection and I allow them to contact me about GMG's conservation programs.
- I understand that I must make my monthly bill payment in order to stay in the program, to receive credit toward past due amounts, and to prevent service disconnection.
- I understand that enrollment in the program is based on a first-come basis and if the program cap is reached before I apply, I may not be enrolled in the GAP.

**All adults living in your household must sign below:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**QUESTIONS? Call the Energy CENTS Coalition at 651-774-9010 or toll-free 888-774-9070  
Mail to: Energy CENTS Coalition, 823 E. 7th Street, Saint Paul, MN 55106**

\*We cannot process your application without your complete account number. You can find your account number on your bill in the upper right-hand corner. If you do not know your account number, call GMG toll free at 888-931-3411. The Gas Affordability Program (GAP) is offered by Greater Minnesota Gas, Inc. and co-administered by the Energy CENTS coalition.



## 2024-2025 Energy Assistance Program Guidelines

Income guidelines for 10/1/24 - 9/30/25 based on 50% of State Median Income for household (hh) sizes 1-17 and on 110% of Federal Poverty Guidelines for hh sizes 18-20.

Household Size	One Month Max.	Annual Income
1	\$2,983	\$35,799
2	\$3,901	\$46,814
3	\$4,819	\$57,829
4	\$5,737	\$68,845
5	\$6,655	\$79,860
6	\$7,572	\$90,875
7	\$7,745	\$92,940
8	\$7,917	\$95,006
9	\$8,089	\$97,071
10	\$8,261	\$99,136
11	\$8,433	\$101,202
12	\$8,605	\$103,267
13	\$8,777	\$105,332
14	\$8,949	\$107,398
15	\$9,121	\$109,463
16	\$9,294	\$111,528
17	\$9,466	\$113,594
18	\$9,764	\$117,173
19	\$10,257	\$123,091
20	\$10,750	\$129,009

(subject to change)



**GREATER MINNESOTA  
GAS**

For more information please contact us at:  
**888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)**



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To **apply to the GAP program** visit:  
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**We are here to help.** For more information contact us at 888.931.3411.



**GREATER MINNESOTA  
GAS**

For more information please contact us at:  
**888.931.3411 | [www.greatermngas.com](http://www.greatermngas.com)**

**ENERGY CENTS COALITION  
823 EAST 7TH STREET  
ST. PAUL, MN 55106**



# AGRICULTURAL REBATES AVAILABLE

**GMG rewards customers for upgrading equipment and saving energy!**  
We have been serving poultry, hog and grain drying operations since 1995. We reward our agricultural customers for making energy efficient upgrades to their facilities.



GREATER MINNESOTA  
GAS

Contact us to schedule a **no-obligation**  
appointment with your local technician.  
888-931-3411 | [greatermnogas.com](http://greatermnogas.com)

Take Advantage of  
**Agricultural Rebates**  
& **Save BIG!**



GREATER MINNESOTA  
GAS

*Changing Lives with Energy*

Take the first step and schedule your  
**no-obligation** appointment today.  
Our customer service team is available  
Monday through Friday 8:00am-4:30pm.

Learn more at [greatermnogas.com](http://greatermnogas.com).



## We Offer Energy Savings Programs Year Round

*Commercial Rebates, Furnace Tune Ups, Energy Audits, and More!*

With heating season upon us, right now is the best time to take advantage of these programs:

### Save money with an efficient furnace or boiler

When you replace your heating system, we'll reward you for buying an efficient one. We'll send a rebate based on your new efficiency.

How to apply: if the system is 225,000BTU or smaller, simply print the **Equipment Rebate Form** and send it in. If it's larger, fill in the **Commercial Rebate Form** and we will contact you for information to calculate your energy savings and rebate.

### Fine tune your heating system for winter

When you get your furnace or boiler tuned up, it burns more efficiently and saves you money. Plus, we'll pay you to do it. Send GMG your contractor's invoice for tuning your furnace or boiler, and we'll give you a rebate based on the size of the system (designed to pay half the cost). To apply, print the **Heating System Tune-Up Form** and send it in.

### Engineering for efficiency

Recommissioning improves the operation of your HVAC systems to provide healthy, comfortable, and productive work environments and save energy. GMG will subsidize this service to help you meet ventilation and indoor air quality standards, solve persistent problems with building operation, and train operations and maintenance staff to improve building performance. Call our partner *Center for Energy and Environment*, 612.335.5861 with questions.

### Get help and rewards for specialized efficiency improvements

You know your unique equipment needs, and how much energy is a cost of doing business. When you're ready to replace gas-burning equipment or upgrade facilities, speak with our engineers about what you want to do. They will advise you on cost-effective ways to increase efficiency and save on your bill. When the work is done, you'll get a rebate to help shorten payback time.

#### Examples include:

- Automated building controls
- Insulating buildings
- Process water boilers
- Food service equipment
- Efficient motors or variable frequency drives

For help with **Engineering for efficiency**, please call our partners at the *Center for Energy and Environment* at:

**612.335.5861**

For all other questions regarding **Commercial Rebates**, contact GMG directly:

**888.931.3411**

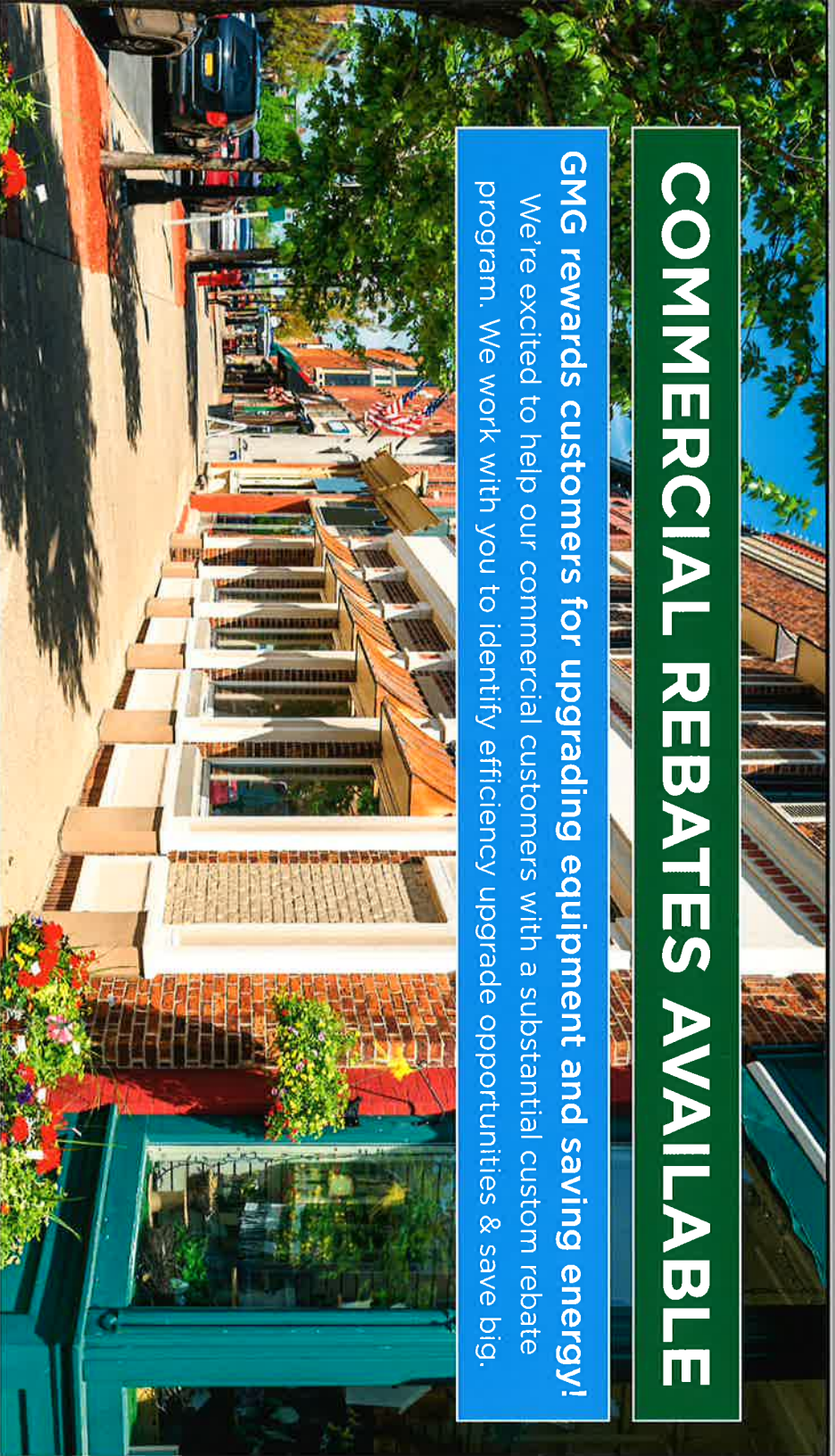


*Changing Lives with Energy*  
**888.931.3411 | [greatermngas.com](http://greatermngas.com)**

# COMMERCIAL REBATES AVAILABLE

**GMG rewards customers for upgrading equipment and saving energy!**

We're excited to help our commercial customers with a substantial custom rebate program. We work with you to identify efficiency upgrade opportunities & save big.



GREATER MINNESOTA  
GAS

Contact us to schedule a **no-obligation**  
appointment with your local technician.  
**888-931-3411 | [greatermingas.com](http://greatermingas.com)**

Take Advantage of  
**Commercial Rebates**  
& **Save BIG!**



GREATER MINNESOTA  
GAS

*Changing Lives with Energy*

Take the first step and schedule your  
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Our customer service team is available  
Monday through Friday 8:00am-4:30pm.

Learn more at [greatermingas.com](http://greatermingas.com).



# NEW HOME REBATES AVAILABLE

Are you a builder or developer? We want to partner with you!

We offer **free energy code compliance services** and **additional rebates** for measures that improve energy efficiency when you build a new home in our service territory.



GREATER MINNESOTA  
GAS

Contact us to schedule a **no-obligation** appointment with your local technician.

888-931-3411 | [greatermingas.com](http://greatermingas.com)



Take Advantage of  
**New Home Rebates**  
& **Save BIG!**

Take the first step and schedule your **no-obligation** appointment today. Our customer service team is available Monday through Friday 8:00am-4:30pm.

Learn more at [greatermingas.com](http://greatermingas.com).



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*Changing Lives with Energy*



# Rebates, Furnace Tune Ups, Home Energy Audits, and more!



## We Offer Energy Savings Programs Year Round

With heating season upon us, right now is the best time to take advantage of these programs:



**GREATER MINNESOTA  
GAS**

888.931.3411

www.greatermngas.com

1900 Cardinal Ln, PO Box 798, Faribault, MN 55021

## Rebates

GMG offers rebates on the purchase of energy efficient water heaters, furnaces, and boilers. Don't need to purchase new? If you have recently converted your existing equipment, we offer a rebate for that too!

## Furnace Tune Up

Lower income households qualify for a free furnace tune up. Contact GMG to find out if your household income is eligible.

## Efficient Water Program

Let us send you a complimentary kit containing water saving fixtures for your bathroom and kitchen. Call and request one today!

## Home Energy Audit

We make it easy for you to find simple ways to add comfort, save money and reduce energy use in your home. It's easy, convenient, and costs just \$50, which includes a free thermostat and weather-stripping!

*Audits are free of charge for all GMG income qualified customers.*

## HOME ENERGY AUDIT ENROLLMENT FORM

I am interested in a \$50 energy audit with FREE programable thermostat  YES  NO

*\*Audit is free for low income households*

I am interested in receiving a FREE water saving fixture kit, mailed to my house  YES  NO

*\*One kit per household every 2 years*

My home is older than 20 years and may need weatherization/insulation  YES  NO

In the last year I have replaced a furnace, water heater, or boiler and am interested in rebates  YES  NO

Customer Name:

-----

Customer Phone Number:

-----

Customer Address:

-----

Account Number:

-----

Email:

-----



Water Heater



Furnace



Boiler



Thermostat

# WE HAVE MANY REBATE OPTIONS

Have you replaced any natural gas appliances within the last year?



Gas Hearth



Washer or Dryer



Dishwasher



Insulation



**GREATER MINNESOTA  
GAS**

You could qualify for a rebate. We make it easy! Visit our website, click on "Energy Saving Services" and explore all the different options available. **888-931-3411** | [greatermngas.com](http://greatermngas.com)



## So many ways to get rebates!

We make receiving a rebate  
**quick & easy!**

---

We offer rebates for several new, energy efficient natural gas appliances. If you've replaced a natural gas appliance within the past year, visit our website to see if you qualify for a rebate. Simply complete our rebate form and attach a copy of your invoice with the appliance model number listed on it. Our customer service team is available to assist Monday through Friday 8am-4:30pm.

Learn more at [greatermngas.com](http://greatermngas.com).



GREATER MINNESOTA  
GAS

*Changing Lives with Energy*



# Greater Minnesota Gas Conservation Improvement Program Custom Rebate Program

Thank you for participating in the Greater Minnesota Gas Custom Rebate Program! Our goal is to save energy and reward our customers for making energy efficient upgrades to their facilities.

**Did you know Minnesota is #1 in the country for natural gas conservation? It's through partnerships like this one that make it happen!**

Our customer service team handles the details, from information gathering to mailing your rebate check. Simply keep us informed of natural gas equipment upgrades or building improvements you are making. While overall energy efficiency and several other factors will affect your final rebate amount, we are pleased to offer a maximum of up to \$10,000 per gas meter, per year.

**Sarah Carpenter | Program Administrator**

PO Box 798 | Faribault, MN 55021

Toll Free: 888-931-3411

[scarpenter@greatermngas.com](mailto:scarpenter@greatermngas.com)



**GREATER MINNESOTA  
GAS**

# Space Heating-Save Money & Energy

## Heat Exchanger System

-The most efficient option, captures waste heat during ventilation.



## Radiant Tube Heaters

-Radiant heat but with better distribution.



## Unit Heaters

-Forced air, provides better heating control and comfort than brooders



## Brooder Stoves

-Pilot light: radiant heat, inefficient  
-Spark ignition: radiant heat, inefficient



# Case Study– Turkey Grower, Little Falls

*Rebate amount:* \$2,412

*Upgrades completed:* Updated roof insulation to R-19 fiberglass insulation in two 258' by 76' barns.

*Energy savings:* 402 DTH



# Building Improvements & Other Upgrades

- New Curtains
- Insulation Improvements
- Heater Replacement or Additions
- New Natural Gas Water Heaters or Boilers
- HVAC Controls







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Geothermal • Heat Pumps  
Residential & Commercial 24/7

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309 S Minnesota Ave • St Peter



### GALLERIES

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### GAMES & GAME SUPPLIES

C & N Game Room Outlet  
1840 Commerce Dr North Mankato 507-387-6811  
Triple Crown Gaming  
103 E Walnut St Mankato 507-345-3474

### GARAGE BUILDERS

#### WOELFEL BUILDING CONSTRUCTION INC

"Building Dreams Since 1964"

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  - Residential & Commercial
- [www.woelfelbuilding.com](http://www.woelfelbuilding.com)

390 W Derrynane St  
Le Center 507-357-6207

### GARAGE DOOR OPENERS

See Door & Gate Operating Devices

### GARAGE DOORS & OPERATING DEVICES

**ALLIED OVERHEAD DOOR OF MANKATO INC**  
Call 507-625-3639  
**OVERHEAD DOOR CO OF MANKATO INC**  
1430 3rd Ave Mankato 507-625-2539

### GARBAGE DISPOSAL

### GARBAGE & RUBBISH REMOVAL

Hansen Sanitation Inc  
636 E Pearl St Kasota 507-625-8891  
**LJP WASTE SOLUTIONS**  
2160 Ringhofer Dr North Mankato 507-625-1968  
Minnesota Waste Processing Co  
1051 Summit Ave Mankato 507-625-5746

### GARDEN CENTERS

Live Tree Nursery  
146 Wilderness Way Good Thunder 507-278-3414

### GARDENERS

See Landscape Contractors

### GAS COMPANIES

Alliance Pipeline  
1990 Lookout Dr North Mankato 507-625-2404

### GREATER MINNESOTA GAS INC

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24 Hour Natural Gas Emergency Response  
Remember To Call 811 Before You Dig!  
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Email Us: [gmg@greatermngas.com](mailto:gmg@greatermngas.com)

1900 Cardinal Ln PO Box 798  
Faribault 888-931-3411

Northwest Natural Gas Co LLC  
314 Main St NE Mapleton 507-524-4103

### GAS CONTRACTORS

See Heating Contractors

### GAS-NATURAL

See Gas Companies

### GAS-PROPANE

Ferrellgas 21665 594th Ave Mankato 507-345-7111

### GAS-PROPANE-EQUIPMENT & SUPPLIES

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### GENERATORS-ELECTRIC & GAS

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Or Call 507-345-2004

### GEOTHERMAL HEATING & COOLING-EQUIPMENT & SUPPLIES

**COMFORT SYSTEMS INC**  
309 S Minnesota Ave St Peter 507-934-4750  
(See our ad this page)

### GERIATRIC CONSULTING & SERVICES

See Assisted Living Facilities

### GIFT SHOPS

Contents 304 S Minnesota Ave St Peter 507-934-8616  
Peddler Of Rapidan  
19075 Rapidan Ave Mankato 507-278-4808  
Spencer Gifts #669  
1850 Adams St Mankato 507-385-1876  
Swedish Kontur Imports  
310 S Minnesota Ave St Peter 507-931-1198

### GIFTWARES

Will's Company Inc  
301 SE 4th Ave Waseca 507-835-2670

The Yellow Pages attract potential customers in search of specific products & services.

We're very social. Join us online.



Get company news, product information, user tips and more from our social media pages!

**1 844 968 7224**

## Greater MN Gas ad

Greater MN Gas, bringing natural gas to rural Minnesota, has some safety reminders this time of year. Remember to keep your gas meters free of ice and snow, maintain vent hoods, pipes, and flues on your gas appliances to make sure they aren't blocked, cracked, or corroded. Don't let kids or pets play around gas equipment, including meters and pipes. If you have any concerns with your meters or equipment, contact us at Greater MN Gas and we will send someone out to inspect for free. Find more information and safety tips at [greatermn.com](http://greatermn.com). Greater MN Gas, Changing Lives with Energy

Does your business need an upgrade on equipment? Are you concerned about energy efficiency? Greater Minnesota Gas can help. Our programs provide custom energy rebates to our commercial clients. Greater Minnesota Gas rewards customers for upgrading equipment and saving energy! We can help pay for efficient equipment and improve facilities. We work to identify your biggest energy consumers, craft solutions, and customize rebates on the equipment and improvements you need. Call our Energy Experts at 888-931-3411 to learn more. Greater Minnesota Gas - Changing Lives with Energy

Building a new home? Through our trusted partner, Center for Energy & Environment, we offer FREE energy code compliance services and additional rebates that improve energy efficiency when you build a new home in our service territory. Services include free blower door testing and duct leakage testing as required under Minnesota's new energy code including recommended improvements in the home's building shell. We also have rebates for energy efficient appliances and equipment you place in your new home! Contact our Energy Experts to learn more about how to qualify for our New Homes Program at 888-931-3411. Greater Minnesota Gas - Changing Lives with Energy.

Contact Greater Minnesota Gas, today to find simple ways to add comfort, save money, and reduce energy in your home. Schedule an appointment for a home energy audit including installation of a programmable thermostat, low flow showerheads, faucet aerators and door weather stripping. With over \$900 available in rebates, we want to help save **you** money. It's easy, convenient and costs just \$50, which is credited back with rebate work completed. Income qualified households receive this audit free of charge. Call our Energy Expert at 888-931-3411 to learn more. Greater Minnesota Gas-- Changing Lives with Energy.

Maintaining your furnace or boiler is essential for prolonging the life of the appliance, and ensuring it runs efficiently. We know having this service done can be costly. Don't let that cost get in your way! Greater Minnesota Gas will pay for the full cost of cleaning and tune-up on income qualified residential customers' heating systems. It's simple and we are here to help! Call our Energy Experts today at 888-931-3411 to learn more about our Free Furnace Cleaning and Tune-up Program. Greater Minnesota Gas – Changing Lives with Energy

Greater Minnesota Gas offers a variety of money saving rebates for new and converted natural gas appliances to help make your home as comfortable and energy efficient as possible. We've expanded our program to include water heaters, forced air furnaces, boilers, smart thermostats, gas fireplaces, clothes washers and dryers and even dishwashers. To learn more about these exciting rebates, contact our Energy Expert at 888-931-3411 to learn more. Greater Minnesota Gas - Changing Lives with Energy.

## Greater MN Gas spots

Since 1995, Greater Minnesota Gas has been expanding to serve poultry, hog and grain-drying operations. It's what we do best-bringing natural gas to rural, unserved areas. But that's not all. We also reward our agricultural customers for making energy efficient upgrades to their facilities, including heating equipment in barns, shops or offices, improving insulation and building tightness, replacing any existing natural gas dryers with a new model and installing new energy efficient heaters. Call our energy experts at 888-931-3411 to learn more. Greater Minnesota Gas-changing lives with energy.

At Greater Minnesota Gas, we make it easy to find simple ways to add comfort, save money and reduce energy in your business. Contact us today to schedule a commercial boiler or furnace tuneup. All commercial gas space heating systems are eligible for this rebate regardless of size. Call our energy experts at 888-931-3411 to learn more. Greater Minnesota Gas-changing lives with energy.

Drip, drip. Do you have a shower or sink that wastes water? If you have old fixtures, the answer is probably "Yes." And your dollars are going down the drain. Greater Minnesota Gas can help you start saving money with our efficient water measures program. Call our energy experts at 888-931-3411 and we'll send you new fixtures for your shower, bathroom and kitchen sinks complete with simple instructions on how to install them yourself. This program is free to Greater Minnesota Gas customers, but supplies are limited. Greater Minnesota Gas-changing lives with energy.

Does your business still use a non-programmable thermostat to operate your gas heating system? If so, then Greater Minnesota Gas has a special program that will provide and install a new programmable thermostat for free. Our technician will also provide a bill analysis, revving heating and ventilation systems for inefficiencies and recommend upgrade opportunities. You'll get a report analyzing your annual gas consumption and a follow-up report that describes the most cost-effective opportunities to upgrade your system..including money-saving rebates. Call our energy experts today at 888-931-3411 to learn more. Greater Minnesota Gas-changing lives with energy.

Builders and developers: we want to partner with you. Through our trusted partner, Center for Energy and Environment, we offer free energy code compliance services and additional rebates for measures that improve energy efficiency when you build a new home in our service territory. Services include free blower door testing and duct leakage testing is required under Minnesota's new energy code including recommended improvements in the home's building shell. We also have rebates for energy-efficient appliances and equipment you place in your new homes. Learn more about how to qualify for our New Homes Program at 888-931-3411. Greater Minnesota Gas-changing lives with energy.

Greater Minnesota Gas, Inc  
 Docket No. G022/GR-24-350  
 Organization Dues

Line No.	Organization	Type of Membership	Number of Employees	Business Purpose	2023 Actual	2024 Actual / Budget	2025 Budget
1	American Gas Association (AGA)	Business Membership	all	Provides essential industry information and training opportunities.	\$ 3,485	\$ 3,703	\$ 3,702
2	Greater Mankato Growth	Business Membership	all	Promotes development of business, industry, and civic interests in community.	\$ 206	\$ 206	\$ 206
3	Institute of Management Accountants (IMA)	Individual Membership	1	Professional license renewal	\$ -	\$ 134	\$ 135
4	Midwest Energy Association (MEA)	Business Membership	all	Provides essential industry information and training opportunities.	\$ 885	\$ 886	\$ 886
5	Midwest Region Gas Task Force	Business Membership	all	Provides essential industry information and training opportunities.	\$ 1,100	\$ 1,100	\$ 1,100
6	Minnesota AgriGrowth Council	Business Membership	all	Provides essential Agriculture and Food industry information.	\$ 2,750	\$ 2,750	\$ 2,750
7	Minnesota Bar Association	Individual Membership	1	Bar license renewal fee	\$ 206	\$ 206	\$ 206
8	Minnesota Board of AELSLAGID	Individual Membership	2	Biannual Professional license renewal	\$ -	\$ 135	\$ -
9	MN Blue Flame Gas Association	Business Membership	all	Provides essential industry information.	\$ 513	\$ 537	\$ 557
10	Prairieland Utility Coordination Committee	Business Membership	all	Provides essential industry information and training opportunities.	\$ 110	\$ 110	\$ 110
11	Elko New Market	Business Membership	all	Promotes development of business, industry, and civic interests in community.	\$ 132	\$ 132	\$ 132
12	Faribault Chamber of Commerce	Business Membership	all	Promotes development of business, industry, and civic interests in community.	\$ 233	\$ 233	\$ 233
13	<b>Total</b>				<b>\$ 9,620</b>	<b>\$ 10,132</b>	<b>\$ 10,016</b>

Note: 45% of the charges are allocated to Greater MN Transmission - this chart shows the GMG Portion Only