

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

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

ISSUE DATE: December 11, 2024

DOCKET NO. G-022/GR-24-350

ORDER SETTING INTERIM RATES

PROCEDURAL HISTORY

On November 1, 2024, Greater Minnesota Gas (GMG) filed a general rate case requesting a \$1.4 million, or 7.7 percent, annual increase to its natural gas rates, effective January 1, 2025, based on a rate of return on common equity of 10 percent.

On November 6, 2024, the Commission issued a notice of comment period on:

- (1) whether GMG’s application complies with the filing requirements of Minn. Stat. § 216B.16, Minn. Rules, parts 7825.3100 to 7825.4400, and relevant Commission orders, and
- (2) whether this matter should be sent to the Office of Administrative Hearings (OAH) for a contested case hearing, and if so, what the scope of the hearing should be.

On November 12, 2024, the Department of Commerce, Division of Energy Resources (Department) filed comments.

Also on November 12, 2024, the Office of the Attorney General, Residential Utilities Division (OAG) filed comments.

On November 18, 2024, GMG filed reply comments.

This matter came before the Commission on December 3, 2024.

FINDINGS AND CONCLUSIONS

I. Summary

In this order, the Commission approves GMG's interim rates proposal as detailed below. By separate orders, the Commission has (1) accepted GMG's rate case filing and suspended the proposed rate change, and (2) referred the general rate case to the Office of Administrative Hearings for a contested case proceeding.¹ Final rates will be determined after a fully contested case proceeding.

II. Legal Standard

Under Minn. Stat. § 216B.16, subd. 3, interim rates are established in expedited proceedings conducted *ex parte*. Except under exigent circumstances, the following principles control:

Interim rates are based on the proposed test year cost of capital, the proposed test year rate base, and the proposed test year expenses. They are calculated using existing rate design and the rate of return on common equity authorized in the company's last general rate case. Only rate base and expense items similar in nature and kind to those allowed under the company's last general rate case order can be included in interim rate calculations.

Interim rates are collected subject to refund. If the Company collects more in interim rates than it would have collected in final rates, it refunds the difference to ratepayers. If it collects less, it can recover the difference only for the period between the final determination in the rate case and the date on which final rates go into effect.

III. Commission Action

A. Interim Rates Proposal

GMG requested an interim rate increase of \$1.4 million, or 7.7 percent, which is equal to GMG's total proposed rate increase. The Company proposed to apply interim rates as a fixed percentage increase to the facility fees (i.e., customer charge) and distribution charges on all customers' bills in equal proportions under the existing rate design for those customers. GMG requested that interim rates be made effective January 1, 2025.

The Commission has examined GMG's interim rates proposal and finds that it complies with the requirements of Minn. Stat. § 216B.16, subd. 3. Accordingly, the Commission will approve GMG's interim rates proposal. The Commission will authorize the collection of interim rates for service rendered on and after December 31, 2024, and will allow the Company to waive that right and wait to begin collecting interim rates until January 1, 2025, as explained further below.

¹ See Order Accepting Filing, Suspending Rates, and Extending Timeline, and Notice of and Order for Hearing – both filed in this docket on this date.

B. Effective Date of Interim Rates

GMG made its initial filing on November 1, 2024, and it has a right to have the interim rate schedule put into effect on December 31, 2024. However, in its interim rates petition, GMG requested that the proposed interim rates become effective on January 1, 2025.

The Commission understands that matching the start of interim rates with the start of the test year offers administrative advantages. The Commission will authorize GMG to implement interim rates on December 31, 2024, but will also authorize GMG to waive its right to put interim rates into effect on that date. The Commission will authorize GMG to actually implement interim rates on January 1, 2025.

C. Implementation

The Commission will take further actions described below to ensure that GMG properly implements the decisions made herein and notifies customers of the interim rate increase.

ORDER

1. GMG is authorized to implement interim rates for service rendered on and after December 31, 2024.
2. GMG is authorized to waive its right under the interim rate statute to put interim rates into effect on December 31, 2024, and authorize the Company to implement interim rates for service rendered on and after January 1, 2025.
3. The Commission hereby approves GMG's annual interim rate revenue deficiency of \$1.4 million for 2025.
4. The Commission hereby approves GMG's proposed interim cost of capital for setting interim rates.
5. The Commission hereby approves the Company's most recent request to apply interim rates as a 15 percent increase to facility fees across all classes and a 15 percent increase to distribution charges across all classes.
6. GMG shall file revised financial schedules and calculations (interim rate base, income statement, cost of capital, and revenue summary) and class revenue schedules reflecting the Commission's modifications within five calendar days of the Commission meeting.
7. The Company shall file with the Commission and the Department interim rate tariff sheets and supporting documentation reflecting the decisions herein. The Company's filing shall also include the notice to customers, approved by the Executive Secretary, regarding the rate change under the interim rate schedule.
8. The Company shall maintain such records of sales and collections under interim rates as would be necessary to compute a potential refund. Any refund shall be made within 120

days of the effective date of the Commission's final order in a manner approved by the Commission.

9. The Company shall include with each customer's first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary. Upon completion of this task, the Company shall certify this fact to the Commission.
10. The Company shall maintain records of Conservation Improvement Program (CIP) costs and collection through the interim period so that it can be ascertained that recoveries dedicated to CIP are properly recorded as CIP.
11. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Will Seuffert
Executive Secretary



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CERTIFICATE OF SERVICE

I, Mai Choua Xiong, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

**Minnesota Public Utilities Commission
ORDER SETTING INTERIM RATES**

Docket Number **G-022/GR-24-350**
Dated this 11th day of December, 2024

/s/ Mai Choua Xiong

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Lane PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	Official 24-350
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3	Christopher J.	Cerny	ccerny@winthrop.com	Winthrop & Weinstine, P.A.		225 South Sixth Street Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	Official 24-350
4	Cody	Chilson	cchilson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	Official 24-350
5	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	Official 24-350
6	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	Official 24-350
7	Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	Official 24-350
8	Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	Official 24-350
9	Jessica	Palmer Denig	jessica.palmer-denig@state.mn.us		Office of Administrative Hearings	600 Robert St N PO Box 64620 St. Paul MN, 55164 United States	Electronic Service		No	Official 24-350
10	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		No	Official 24-350
11	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		No	Official 24-350
12	Janet	Shaddix Eling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN, 55423 United States	Electronic Service		No	Official 24-350

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
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14	Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine		225 South Sixth Street, Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	Official 24-350