

## Staff Briefing Papers

<b>Meeting Date</b>	<b>February 19, 2026</b>	<b>Agenda Item 2*</b>	
<b>Company</b>	Greater Minnesota Gas, Inc.		
<b>Docket No.</b>	G-022/M-25-405		
	<b>In the Matter of Greater Minnesota Gas, Inc.'s Petition for Reduction to Conservation Recovery Adjustment Factor</b>		
<b>Issues</b>	Should the Commission approve Greater Minnesota Gas's proposed conservation rider rate change?		
<b>Staff</b>	Danielle Winner	danielle.winner@state.mn.us	651-539-1084

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<b>✓ Relevant Documents</b>	<b>Date</b>
Initial Filing, Greater Minnesota Gas, Inc.	October 31, 2025
Comments, Department of Commerce	December 22, 2025

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

## I. Background

The Minnesota Public Utilities Commission oversees the recovery of utility conservation expenses incurred as part of the state’s Energy Conservation and Optimization (ECO) program. These recoveries typically take two forms: a rate built into base rates and a true-up rider that is adjusted on an annual basis. The latter is sometimes referred to as the “Conservation Cost Recovery Adjustment” (“CCRA”) or simply the “ECO rider” and is calculated based on a projected tracker account balance. Most utilities use carrying charges within their trackers, typically based on the utility’s short-term cost of debt, such that over- and under- recoveries accrue interest to both the utility and ratepayers.

These ECO rider requests to the Commission are typically made in conjunction with the utility’s annual Status Report filing made to the Department of Commerce. They are usually accompanied by a request for a financial incentive for the prior year’s achievements and a request for approval of the prior year’s ECO tracker.

Although Greater Minnesota Gas, Inc. (GMG or the Company) submitted its Status Report filing to the Department of Commerce in May 2025, it did not make any requests to the Commission—including a request for an updated CCRA—at that time. Staff’s understanding is that this had to do in part with GMG’s then-pending rate case.

In reviewing the 2025 ECO filings, Staff discussed why only intermittently updating the CCRA can become a problem:

When GMG’s CCRA is not updated on a yearly basis, this means the tracker is more likely to become significantly over- or under-recovered. As noted in Table 20 above, the company’s tracker was over-recovered at its highest levels in 2021, 2022, and 2023, and GMG didn’t adjust its CCRA until its 2024 filing. During these years, ratepayers were essentially lending GMG money without benefit; however, if GMG had carrying charges, ratepayers would at least be compensated for the time value of money.<sup>1</sup>

## II. Commission Order

Greater Minnesota Gas submitted the instant Petition on October 31, 2025. Shortly thereafter, the Commission met on November 13, 2025 to discuss the 2024 ECO activities and filings of all regulated activities. The Commission’s November 20, 2025 Order:

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<sup>1</sup> See page 32 of Staff’s November 4, 2025 Briefing Papers in Docket Nos. E015/M-25-48, E017/M-25-49, E002/M-25-50, G008/M-25-43, G004/M-25-44, G022/M-24-45, G011/M-25-46, G002/M-25-47. <https://efiling.web.commerce.state.mn.us/documents/%7BE021509A-0000-C014-A6FB-49A6A27BB91D%7D/download?contentSequence=0&rowIndex=3>

1. Required utilities to work directly with the Commission's Consumer Affairs Office Staff prior to making their Environmental Conservation and Optimization (ECO) filings. Required the notification language to be included in the ECO filing, along with a statement confirming the date the language was reviewed by Consumer Affairs Office staff.

28. Required Greater Minnesota Gas to submit updated annual ECO trackers, along with any proposed financial incentives, rider changes, or other relevant matters, to the Commission on May 1 of each year going forward.

29. Required Greater Minnesota Gas, in next year's filing, to propose a carrying charge rate for implementation in its ECO tracker account for each year going forward.

None of these Ordering Points pertain to the instant filing, but they will apply to GMG's filing expected by May 1 of 2026.

### III. Petition

In its Petition, GMG requested to reduce its CCRA to \$0.2545/Dth, down from \$0.4407/Dth, effective January 1, 2026. Staff confirmed with GMG that the Company implemented the proposed rate on January 1, 2026.

The Company submitted a projected 2026 tracker showing that this rate is estimated to bring the tracker balance close to zero by the end of December, 2026. GMG acknowledged that it would be filing a petition in May 2026, but stated that it preferred to implement the lower rate in advance of that time to counteract January increases occurring from Northern Natural Gas's (NNG) rate case before the Federal Energy Regulatory Commission.

GMG further requested approval of its bill message, which included the following modifications to the previously-approved bill message.

Effective ~~\_\_\_\_\_~~, 2024 January 1, 2026, your bill will include an ~~adjusted~~ reduced Conservation Cost Recovery Adjustment (CCRA). ~~The Minnesota Public Utilities Commission approved the CCRA on \_\_\_\_\_, 2024. GMG has requested approval of the reduction by the Minnesota Public Utilities Commission. In the event that the Commission approves a different CCRA amount, the CCRA will be trued up consistent with the Commission's Order.~~ The CCRA is necessary and allowed by law to fund the state-mandated Energy

Conservation and Optimization Program. The CCRA is ~~\$0.044070.02545~~ per therm, or ~~\$0.44070.2545~~ per dekatherm, of natural gas that you use. If you have questions, please contact us at 1-888-931- 3411 or [www.greatermngas.com](http://www.greatermngas.com). Thank you.

#### IV. Department Comments

The Department reviewed GMG's filing and recommended approval of the proposed tariff rate change and bill message.

#### V. Staff Analysis

Staff notes that GMG did not request approval of its 2024 ECO tracker, and so the Department did not review this or make a recommendation. GMG should plan to request approval of its 2024 tracker along with 2025 tracker when it submits its annual filing in May 2026.

As noted above, the Commission directed utilities to work directly with the Commission's Consumer Affairs Office (CAO) on bill messages every year, prior to filing. However, since this Petition came in before the Commission's November 20, 2025 Order, Staff consulted with CAO Staff in this instance. CAO Staff suggested the following changes to GMG's bill notification:

~~Effective January 1, 2026, your bill will include a reduced Conservation Cost Recovery Adjustment (CCRA). GMG has requested approval of the reduction by the Minnesota Public Utilities Commission approve a reduction of the Conservation Cost Recovery Adjustment, shown as CCRA on your bill. Effective January 1, 2026, your bill will show a decrease in the CCRA, from \$0.044070 to \$0.02545 per therm, or from \$0.4470 to \$0.2545 per dekatherm. The CCRA is used to fund the state-mandated Energy Conservation and Optimization Program, per state law. In the event that If the Commission approves and orders a different CCRA amount, your bill will show a true-up of the CCRA. will be trueed up consistent with the Commission's Order. The CCRA is necessary and allowed by law to fund the state-mandated Energy Conservation and Optimization Program. The CCRA is \$0.02545 per therm, or \$0.2545 per dekatherm, of natural gas that you use.~~ If you have questions, please contact us at 1-888-931-3411 or [www.greatermngas.com](http://www.greatermngas.com). Thank you.

## VI. Decision Options

1. Approve a Conservation Cost Recovery Adjustment rate of \$0.2545 per Dth to be effective January 1, 2026.
2. Approve the Company's proposed bill message:

Effective January 1, 2026, your bill will include a reduced Conservation Cost Recovery Adjustment (CCRA). GMG has requested approval of the reduction by the Minnesota Public Utilities Commission. In the event that the Commission approves a different CCRA amount, the CCRA will be trued up consistent with the Commission's Order. The CCRA is necessary and allowed by law to fund the state-mandated Energy Conservation and Optimization Program. The CCRA is \$0.02545 per therm, or \$0.2545 per dekatherm, of natural gas that you use. If you have questions, please contact us at 1-888-931-3411 or [www.greatermngas.com](http://www.greatermngas.com). Thank you

OR

3. Approve GMG's bill message, as amended by the Commission's Consumer Affairs Office:

GMG has requested the Minnesota Public Utilities Commission approve a reduction of the Conservation Cost Recovery Adjustment, shown as CCRA on your bill. Effective January 1, 2026, your bill will show a decrease in the CCRA, from \$0.044070 to \$0.02545 per therm, or from \$0.44070 to \$0.2545 per dekatherm. The CCRA is used to fund the state-mandated Energy Conservation and Optimization Program, per state law. If the Commission approves and orders a different CCRA amount your bill will show a true-up of the CCRA. If you have questions, please contact us at 1-888-931- 3411 or [www.greatermngas.com](http://www.greatermngas.com).

4. Require Greater Minnesota Gas to submit a compliance filing within 10 days of the issue date of the Order in the present docket, with revised tariff sheets reflecting the Commission's determinations in this matter.