

Staff Briefing Papers

Meeting Date June 14, 2018 Agenda Item *4

Company Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc.

Docket No. **G-004/PA-18-103**

In the Matter of the Application of Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc., for Approval of a Corporate Reorganization under Minn. Stat. §216B.50.

Issues Should the Commission approve a plan of reorganization through which Great Plains Natural Gas (GPNG) Company, which currently is an operating division of MDU Resources Group, Inc., becomes an operating division of MDU Energy Capital, LLC, a newly formed, wholly owned subsidiary of MDU Resources Group, Inc?

Staff Ann Schwieger Ann.schwieger@state.mn.us 651-201-2238

 **Relevant Documents**

Date

GPNG – Initial Filing

January 31, 2018

Department – Comments

March 23, 2018

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

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. Statement of the Issue

Should the Commission approve a plan of reorganization through which Great Plains Natural Gas (GPNG) Company, which currently is an operating division of MDU Resources Group, Inc., becomes an operating division of MDU Energy Capital, LLC, a newly formed, wholly owned subsidiary of MDU Resources Group, Inc.?

II. Background

January 31, 2018: GPNG submitted its request for approval of a corporate reorganization under Minn. Stat. §261B.50.

March 23, 2018: The Department submitted its comments and recommended the Commission approve the corporate reorganization.

Staff agrees with the Department's recommendation to approve the corporate reorganization of GPNG. Staff will not repeat the Department's analysis in these briefing papers. See GPNG's filing on January 31, 2018 for information on the corporate reorganization plan and the Department's analysis submitted on March 23, 2018. In this briefing paper, staff has organized the decision options for the Commission to consider.

III. Decision Options

- 1.) Approve GPNG's request for approval of its proposed restructuring plan as being consistent with the public interest under Minn. Stat. § 216B.50.
- 2.) Grant Great Plains' request to make the reorganization effective January 1, 2019.
- 3.) Grant the Company a variance to Minn. R. 7825.1700 and do not require the Company to make a capital structure filing concurrent with this petition. and
- 4.) Grant the Company a variance to Minn. R. 7825.1800, including the requirements to file the information required by Minn. R. 7825.1400 and Minn. R. 7825.1700.
- 5.) Determine that it is not necessary to grant a variance in this case.

Staff recommends decision options 1 & 2. If the Commission determines a variance is necessary decision options 3 & 4, OR if a variance is not necessary decision option 5.