

Staff Briefing Papers – Deliberation Outline

Meeting Date October 9, 2025

Agenda Item 2***

Company Greater Minnesota Gas, Inc.

Docket No. G-022/GR-24-350

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

G-022/GR-24-351

In the Matter of Greater Minnesota Gas, Inc.'s Petition for Approval of a New Base Cost of Gas

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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.

ALJ Report

1. Adopt the ALJ's Findings of Fact, Conclusions of Law, and Recommendations in its entirety. [GMG]
2. Adopt the ALJ's Findings of Fact, Conclusions of Law, and Recommendation with modification to one or more of the following issues and to the extent the ALJ's Report is consistent with the decisions made by the Commission at this meeting. [Department, OAG]

Note: Staff has attempted to clearly identify the parties' positions next to the decision alternatives in the deliberation outline. If the Commission adopts the ALJ's Report and recommendation in its entirety and does not wish to modify the ALJ's recommendation or modify (or clarify) the ALJ's findings or conclusions, it does not need to separately affirm the ALJ's findings, conclusions, or recommendations under each specific issue. Please also note that when only one alternative is listed, that does not mean that is the only alternative available. Every decision has a theoretical alternative. It usually means that parties did not provide a clear alternative to the one they recommend.

Volume 1 – Financial Issues

Disputed Financial Issues

Auto and Truck Expense

(Please see staff briefing papers, Volume 1 at 5)

101. Allow GMG to include \$138,000 in auto and truck expense under Distribution Expense for the 2025 Test Year. [ALJ, GMG]

Or

102. Allow GMG to include \$130,427 in auto and truck expense under Distribution Expense for the 2025 Test Year. [Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 245, 246, 248, and 251 with Department's proposed language.
- b. Reject ALJ Findings 249 and 250.

Education and Training Expense

(Please see staff briefing papers, Volume I at 8)

103. Allow GMG to include \$10,200 in education and training expense under Administrative & General Expense for the 2025 Test Year. [ALJ, GMG]

Or

104. Allow GMG to include \$6,409 in education and training expense under Administrative & General Expense for the 2025 Test Year. (Department)

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 230, 232, and 233 with Department's proposed language.
- b. Reject ALJ Finding 231.

Postage Expense

(Please see staff briefing papers, Volume I at 11-12)

105. Allow GMG to include \$5,400 in postage expense under Administrative & General Expense for the 2025 Test Year. [ALJ, GMG]

Or

106. Allow GMG to include \$4,431 in postage expense under Administrative & General Expense for the 2025 Test Year. [Department]

[If the Commission makes this determination, it may want to adopt the following recommended by the Department:]

- a. Replace ALJ Findings 235-237 with Department's proposed language.

Repair and Maintenance Expense

(Please see staff briefing papers, Volume I at 14)

107. Allow GMG include \$24,000 in repair and maintenance expense under Administrative & General Expense for the 2025 Test Year. [ALJ, GMG]

Or

108. Allow GMG to include \$19,787 in repair and maintenance expense under Administrative & General Expense for the 2025 Test Year. [Department]

[If the Commission makes this determination, it may want to adopt the following recommended by the Department:]

- a. Replace ALJ Findings 238, 243, and 244 with Department's proposed language.

Annual Incentive Pay (AIP)

(Please see staff briefing papers, Volume I at 19-20)

109. Allow GMG to include \$92,442 of Annual Incentive Pay (AIP) expense in the 2025 Test Year. [ALJ, GMG]

Or

110. Order GMG to apply a 15 percent cap to the performance pay to employee whose performance pay has any tie to the financial performance of the Company. [Department]

And

111. Order GMG to reduce its proposed Annual Incentive Pay (AIP) expense by \$11,276 in the 2025 Test Year. [Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 202, 203, 205, 209, and 213 with Department's proposed language.
- b. Reject ALJ Findings 204, 206-208, and 210-212.
112. Require GMG to file annual compliance filings evaluating the operation and performance of its incentive compensation plan and the associated refund. [Staff]

Long-Term Incentive (LTI)

(Please see staff briefing papers, Volume I at 25)

113. Approve GMG's Long-Term Incentive (LTI) expense of \$43,800 in the 2025 Test Year.
[GMG, ALJ]

Or

114. Deny GMG's Long-Term Incentive (LTI) expense of \$43,800 in the 2025 Test Year.
[Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 214-215, 221-222, and 224-226 with Department's proposed language.
 - b. Reject ALJ Findings 216, 219, and 220.
115. Clarify that the approval of GMG's Long-Term Incentive (LTI) expense of \$43,800 in the 2025 Test Year is as an exception made solely because GMG's plan is not tied to shareholder-return-based performance. [Staff, if decision option 113 is selected]

[If the Commission makes this determination, it may want to adopt the following recommended by the Department:]

- a. Adopt the Department's alternate Proposed Finding 224.

Organizational Dues

(Please see staff briefing papers, Volume I at 34)

116. Adopt the ALJ's recommendation to approve all GMG's Organizational Dues with deductions of \$159 from MRGTF dues and \$687.50 from MAC dues. [ALJ, GMG]

Or

117. Deny GMG's requested recovery for AGA and MAC dues. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Replace ALJ Findings 255, 257-258, 260-261, 263-264, and 266-269 with OAG's proposed language.
- b. Adopt OAG's Proposed Finding 256.
- c. Reject ALJ Findings 259, 270, and 271.

And

118. Order GMG to amortize the total MRGTF dues of \$1,100 over a three-year period, resulting in a cost of \$367 to be included in the Test Year. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Replace ALJ Finding 275 with OAG's proposed language.
- b. Adopt OAG's Proposed Findings 276-279.
- c. Reject ALJ Findings 276-277.

Automatic Meter Reading (AMR units) - FERC Accounts 381 and 382

(Please see staff briefing papers, Volume I at 39)

119. Approve GMG's projected customer meter plant balances in full. [ALJ, GMG]

Or

120. Adopt the OAG's recommendation to reduce GMG's 2025 Test Year rate base by \$176,834. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Reject the ALJ's Findings 278-291.
- b. Adopt OAG's Proposed Findings 278-286.

Income Tax Rider

(Please see staff briefing papers, Volume I at 42)

121. Allow GMG to establish an annual income tax rider. [GMG]

Or

122. Deny GMG's request to establish an income tax rider. [ALJ, Department, OAG]

[If the Commission makes this determination, it may want to adopt the following recommended by the OAG:]

- a. Replace ALJ Finding 301 with OAG's proposed language.

Resolved Financial Issues

Advertising Expense

(Please see staff briefing papers, Volume I at 43)

123. Allow GMG to include \$69,600 in advertising expense for the 2025 Test Year. [ALJ, GMG, Department]

Bad Debt Expense

(Please see staff briefing papers, Volume I at 45)

124. Allow GMG to include \$21,600 in bad debt expense under Customer Account Expense for the 2025 Test Year. [ALJ, GMG, Department]

Sales Expense- Salary

(Please see staff briefing papers, Volume I at 46)

125. Allow GMG to include \$18,000 in salary-sales expense for the 2025 Test Year. [ALJ, GMG, Department]

Rebate Expense

(Please see staff briefing papers, Volume I at 47)

126. Approve a 2025 Test Year rebate conversion expense of \$1,800. [ALJ, GMG, Department]

Gross Revenue Conversion Factor and Income Tax Expense

(Please see staff briefing papers, Volume I at 49)

127. Approve a GRCF of 1.403312 and reduce income tax expense by \$4,032. [ALJ, GMG, Department]

Gas Storage Inventory

(Please see staff briefing papers, Volume I at 51)

128. Approve a 2025 Test Year gas storage inventory of \$709,937. [ALJ, GMG, Department]

Top Ten Paid Officers and Employee Compensation

(Please see staff briefing papers, Volume I at 53)

129. Approve GMG's Top Ten Compensation 2025 Test Year expense of \$995,912. [ALJ, GMG, Department]

Rate Case Expense

(Please see staff briefing papers, Volume I at 54)

130. Allow GMG to recover its rate case expense amount of \$150,000 over a 3-year amortization in the amount of \$50,000 per year. [GMG]

Base Cost of Gas

(Please see staff briefing papers, Volume I at 56)

131. Require GMG to comply with the base cost of gas requirements identified in the Commission's December 11, 2024 Order Approving Base Gas Cost in Docket No. G-022/MR-24-351.

Or

- 131a. Order GMG to make no further adjustment to the base cost of gas for base rate purposes.

Secondary Calculations

(Please see staff briefing papers, Volume I at 59)

132. Approve GMG's proposal that the final revenue requirement (if different from the Company's) will be updated for secondary calculations - Cash Working Capital and Interest Synchronization. [Department]

Depreciation and Amortization Expense

(Please see staff briefing papers, Volume I at 60)

133. Approve GMG's proposed Depreciation and Amortization expense of \$1,853,935 in the 2025 Test Year.

Taxes Other than Income

(Please see staff briefing papers, Volume I at 61)

134. Approve GMG's proposed Taxes and other Tax Income expense of \$844,151 in the 2025 Test Year.

Volume II – Sales Forecast

New Residential Customer First-Year Sales Estimation

(Please see staff briefing papers, Volume II at 10)

201. Maintain GMG’s partial first-year recommendation to use the approximately 21.6 MCF annual 12-month usage and the approximately 3-month “customer charge revenues” for estimating first-year sales of new Residential customers, as incorporated in GMG’s sales forecast. [GMG, ALJ]

Or

202. Adopt the Department’s full first-year recommendation to use the approximately 86.0 MCF annual 12-month usage and the 12-month “customer charge revenues” for estimating first-year sales of new Residential customers. Adopt the Department’s proposed modifications and additions to ALJ Findings 173–183 accordingly as shown in the Department’s Exceptions. [Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 173, 177a, and 183 with Department’s proposed language.
- b. Adopt the Department’s proposed Findings 173a, 177, 178-181, 183a and 183b.
- c. Reject ALJ Findings 178-182.

Small Commercial Customer Counts

(Please see staff briefing papers, Volume II at 19)

203. Adopt GMG’s forecasted 2025 Test Year addition of zero Small Commercial customers. [GMG, ALJ]

Or

204. Adopt the OAG’s recommendation to increase the Small Commercial count to 990. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Replace ALJ Findings 186 - 195 with the OAG’s proposed language.
- b. Adopt the OAG’s proposed Findings 185, 185, and 196.
- c. Reject ALJ Finding 190.

Sales Forecast Methodology for Future Rate Cases

(Please see staff briefing papers, Volume II at 21-22)

205. Require GMG, in its next rate case sales forecast, to weather normalize sales and use demographic and economic variables to project customer counts and sales for the Residential and Small Commercial classes in its test year(s). [OAG]

[If the Commission makes this determination, it may want to adopt the following recommended by the OAG:]

- a. Adopt the OAG's proposed Findings 1-5.

Or

206. Do not require GMG to weather normalize sales and use demographic and economic variables to project customer counts and sales for the Residential and Small Commercial classes in its test year(s) in its next rate case sales forecast. [GMG]

Under-forecasting of Large Commercial Customer Sales Growth

(Please see staff briefing papers, Volume II at 24)

207. Require GMG to make a filing in this docket if it adds a customer in its Commercial, Medium or Large Industrial class, Interruptible Agricultural class, or any other large volume customer class that GMG may create. [OAG]

Or

208. Adopt GMG's recommendation to not require GMG to make a filing in this docket if it adds a customer in its Commercial, Medium or Large Industrial class, Interruptible Agricultural class, or any other large volume customer class that GMG may create. [GMG]

Prior Rate Case Order Compliance and Future Compliance Reporting

(Please see staff briefing papers, Volume II at 26-28)

Bridging Schedule

209. Require GMG to provide a bridging schedule that fully links together the old and new billing systems if GMG updates, modifies, or changes its billing system. [Department]

Or

210. Do not require GMG to provide a bridging schedule that fully links together the old and new billing systems if GMG updates, modifies, or changes its billing system. [GMG]

Future rate case provisions

211. Require GMG to retain and provide in future rate cases all information on the billing cycle sales, cancellations/rebills, customer bills, weather data, adjusted for billing errors in the period(s) in which they occur as opposed to the time period(s) when errors are discovered, in a format to facilitate and allow independent verification of all data used by GMG, and to also be used to independently analyze the reasonableness of the test-year sales. [Department]

Or

212. Do not require GMG to retain and provide in future rate cases all information on the billing cycle sales, cancellations/rebills, customer bills, weather data, adjusted for billing errors in the period(s) in which they occur as opposed to the time period(s) when errors are discovered, in a format to facilitate and allow independent verification of all data used by GMG, and to also be used to independently analyze the reasonableness of the test-year sales. [GMG]

Meetings with the Department in advance of next rate case

213. Require GMG to meet with the Department at least nine months prior to the Company filing any future rate cases to discuss compliance with applicable requirements. [Department]

Or

214. Do not require GMG to meet with the Department at least nine months prior to the Company filing any future rate cases to discuss compliance with applicable requirements. [GMG]

Future Compliance Reporting

215. Adopt GMG's request to determine that any compliance requirements adopted in GMG rate case orders issued prior to this order shall not apply to future GMG rate cases. Authorize the Executive Secretary to clearly state filing requirements for the Company's next rate case. [GMG]

Or

216. Adopt the Department's recommendation to not determine that any compliance requirements adopted in past GMG rate case orders shall not apply to future GMG rate cases. [Department]

Volume III – Cost of Capital

Capital Structure

(Please see staff briefing papers, Volume III at 6)

301. Adopt the Company's proposed capital structure comprised of 50.44 percent long-term debt, 0.68 percent short-term debt, and 48.87 percent common equity. [GMG, Department, ALJ]

Cost of Debt

(Please see staff briefing papers, Volume III at 8)

Long-Term Debt

302. Adopt the proposed cost of long-term debt of 5.76 percent. [GMG, Department, ALJ]

Short-Term Debt

303. Adopt the proposed cost of short-term debt of 8.00 percent. [GMG, Department, ALJ]

Cost of Equity

(Please see staff briefing papers, Volume III at 19-20)

Analytical Models

304. Determine that no single model is appropriate for estimating the cost of equity.

Or

305. Determine that the constant-growth Discounted Cash Flow model, checked for reasonableness, is the most appropriate method for estimating the cost of equity.

Or

306. Determine that the two-growth Discounted Cash Flow model, checked for reasonableness, is the most appropriate method for estimating the cost of equity. [GMG, ALJ]

Or

307. Determine that the multi-stage Discounted Cash Flow model, checked for reasonableness, is the most appropriate method for estimating the cost of equity. [Department]

Return on Equity

308. Adopt GMG's proposed 10.00 percent return on equity for setting rates in this proceeding. [GMG, ALJ]

Or

309. Adopt the Department's proposed 9.65 percent return on equity for setting rate in this proceeding. [Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 145, 149-152, and 156 with Department's proposed language.
- b. Reject ALJ Findings 146-148, 155.

Or

310. Determine that another return on equity is appropriate for setting rates in this proceeding.

Proxy Groups

(Please see staff briefing papers, Volume III at 22)

311. Adopt GMG's proposed proxy group. [GMG, ALJ]

Or

312. Adopt the Department's proposed proxy group. [Department]

Or

313. Take no action on the recommendation of a proxy group.

Risk Factors Unique to GMG

(Please see staff briefing papers, Volume III at 31)

314. Adopt the ALJ Report's analysis considering GMG's risk factors and determine that the Company is significantly riskier than larger natural gas utilities. [GMG, ALJ]

Or

315. Reject the ALJ Report's analysis of GMG's risk factors and its reliance on the two orders from the Public Service Commission of Wisconsin. [Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 136, 140, 141, and 144 with Department's proposed language.
- b. Adopt the Department's proposed Findings 140a, 141a-c.
- c. Reject ALJ Findings 139 and 154.

Or

316. Determine that no specific decision on risk factors is required.

Flotation Costs

(Please see staff briefing papers, Volume III at 38)

317. Adopt the proposed flotation cost adjustment of 15 basis points. [GMG, ALJ]

Or

318. Find that the record does not support the addition of flotation costs and deny GMG's request for a flotation cost adjustment. [Department]

[If the Commission makes this determination, it may want to adopt the following as recommended by the Department.]

- a. Replace ALJ Finding 160 with the Department's proposed language.
- b. Replace ALJ Finding 161 with the Department's proposed language.
- c. Adopt the Department's Proposed Finding 163a.
- d. Delete ALJ Findings 164-167.

Overall Cost of Capital

(Please see staff briefing papers, Volume III at 38)

319. Adopt an overall cost of capital of 7.92 percent reflecting GMG's 10 percent cost of equity and additional 15 basis points of flotation costs, for a total ROE of 10.15 percent. [GMG, ALJ]

Or

320. Adopt an overall cost of capital of 7.68 percent reflecting the Department's 9.65 percent cost of equity with no flotation costs. [Department]

Or

321. Delegate authority to the Executive Secretary to calculate the overall cost of capital, based on the component parts selected above, for inclusion in the order.

Or

322. Determine that no specific decision on cost of capital is required.

Volume IV – Class Cost of Service

CCOSS – Current Rate Case Considerations

(Please see staff briefing papers, Volume IV at 45)

401. Adopt GMG's revised CCOSS model using Minimum System methodology. [GMG, ALJ]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by GMG:]

- A. Adopt ALJ Findings 304-324 (pp. 31-33).
- B. Classify shared distribution costs as 71.58 percent customer-related and 28.42 percent demand-related.
- C. Exclude TR1 customer sales from the allocation of demand-related distribution system costs.
- D. Use January 2024 consumption data to allocate demand-related costs.
- E. Classify General Plant costs as 100 percent customer-related.

Or

402. Adopt the Department's CCOSS using the Basic Study and Minimum System methodologies. [Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- A. Adopt ALJ Findings 307, 312, 314-315, and 322. (pp. 31-33)
- B. Reject ALJ Findings 306, 309-311, and 319 (pp. 35-37).
- C. Replace ALJ Findings 304, 308, 313, 316-318, 320, and 323-324 with the Department's proposed language (pp. 35-38).
- D. Supplement ALJ Findings 305 and 321 with the Department's additional language (pp. 35, 37).

- E. Supplement ALJ Findings 308 and 317 with the Department's additional language, as set forth in the Department's 308a and 317a (pp. 35-37)
- F. Include TR1 customer sales in the allocation of demand-related distribution system costs.
- G. Classify General Plant costs as equally demand-, energy-, and customer-related.

Or

- 403. Adopt the OAG's CCOSS using the Basic Customer and Peak and Average methodologies. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- A. Adopt ALJ Findings 320-321 (pp. 32-33).
- B. Reject ALJ Findings 306, 312-313, and 322-323 (pp. 40, 43).
- C. Replace ALJ Findings 307-308, 310, and 314-319 (OAG re-numbered 306-307, 309, 311-314, 320-322) with the OAG's proposed language (pp. 40-43).
- D. Replace ALJ Finding 324 with the OAG's proposed language (pp. 43).
- E. Supplement ALJ Findings 304-305, 309 (OAG re-numbered 308), and 311 (OAG re-numbered 310) with the OAG's additional language (pp. 39-40).
- F. Supplement ALJ Finding 315 with the OAG's additional language, as set forth in OAG Findings 315-319 (pp. 41-42).
- G. Classify shared distribution costs as 100 percent demand-related;

Or

- H. Classify shared distribution costs as 68.2 percent demand-related and 31.8 percent energy-related.
- I. Classify customer-related distribution costs using the same method as GMG's Minimum System CCOSS.

- J. Classify energy-related distribution costs using the same method as GMG's Minimum System CCOSS.
- K. Include TR1 customer sales in the allocation of demand-related distribution system costs.
- L. Use February consumption data in addition to January to allocate demand-related costs.
- M. Use, at minimum, three years of January and February consumption data, in addition to January and February test year sales to allocate demand-related costs.
- N. Classify General Plant costs as equally demand-, energy-, and customer- related.
- O. Classify customer-related General Plant costs using the same method as GMG's Minimum System CCOSS.
- P. Classify energy-related General Plant costs using the same method as GMG's Minimum System CCOSS.
- Q. Determine that GMG's CCOSS failed to show a reasonably estimated class cost causation, or provide a reasonable basis for determining just and reasonable rates.

Or

- 404. Do not adopt a specific CCOSS methodology.

Future CCOSS – Recommendations

(Please see staff briefing papers, Volume IV at 47-48)

405. Require GMG to implement the following CCOSS items for future rate cases:
- A. Use of a cost escalator, such as the commonly used Handy Whitman cost escalator, in preparing a Minimum System Method study. [Staff]
 - B. The transportation classes grouped as their own classes, rather than included in a similar class. [GMG, Department, OAG]
 - C. Inclusion of the required changes from the 2009 Rate Case Order. [GMG, Department, OAG]
 - D. A more detailed breakdown of costs by FERC account. [Department, OAG]
 - E. Calculation and inclusion of a demand adjustment to its Minimum System Method study. [Department, OAG]
 - F. Aggregating customers that share the same distribution line for the purpose of allocating distribution costs. [Department, OAG]
 - G. Breaking out values for meters, regulators, and fittings by each customer class from GMG's larger groupings of these items. [Department, OAG]
 - H. Split General Plant equally between demand, customer, and capacity costs in future CCOSSs or develop a new classification method for General Plant. [Department, OAG]
 - I. Include transportation volumes to determine the demand allocator. [Department, OAG]
 - J. No longer allocate pipeline capacity charges to the transportation customer class. [Department, OAG]
 - K. Collect meter and service data by class to provide a more accurate CCOSS. [OAG]

Final Rates Determination

(Please see staff briefing papers at 48)

- 406. Base final rates on GMG's revised Minimum System CCOSS, as detailed in Rebuttal Testimony. [GMG]
- 407. Base final rates somewhere between the Department's Basic Customer and Minimum System CCOSS's, as represented in the Department's Surrebuttal Testimony. [Department]
- 408. Base final rates on the OAG's Basic Customer and Peak and Average CCOSS's, along with other non-cost factors, as represented in the OAG's Surrebuttal Testimony. [OAG]

General

(Please see staff briefing papers, Volume IV at 48)

- 409. The Commission's final order in this rate case will override any CCOSS filing requirements set by previous orders for purposes of GMG's next rate case. [GMG]

Volume V – Rate Design

Revenue Apportionment

(Please see staff briefing papers, Volume V at 10-11)

501. Adopt the revenue apportionment proposed by GMG which increases all classes' base rate increases by close to the same percent. [GMG, ALJ]
502. Adopt the revenue apportionment proposed by Department, which lowers the Residential class base rate increase to 2.8 percent and increases the Commercial class to 2.7 percent. [Department]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the Department:]

- a. Replace ALJ Findings 327, 328, 330, 332, 335, and 328 with Department's proposed language.
 - b. Adopt the Department's proposed Finding 328a.
 - c. Reject ALJ Findings 333, 336, and 337.
503. Adopt the revenue apportionment proposed by OAG, which lowers the Residential class base rate increase to 6.4 percent and increases the Commercial class base rate increase to 11.0 percent. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Replace ALJ Findings 328, 331-335, and 338 with OAG's proposed language.
- b. Reject ALJ Findings 336, 337, and 339.

Facility Fees

(Please see staff briefing papers, Volume V at 14)

- 504. Adopt GMG's proposal to increase the Facility Fees for all classes by approximately 15 percent. [GMG, Department, OAG, ALJ]
- 505. Adopt OAG's proposal to apply any reduction in the overall revenue requirement toward reducing the Facility Fee increase before reducing the proposed distribution charge increase. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Replace ALJ Findings 340, 341, and 343-345 with the OAG's proposed language.
- b. Reject ALJ Finding 342.

Reconnection Fees

(Please see staff briefing papers, Volume V at 19)

- 506. Order GMG to reduce its reconnection fee to \$50 and allow customers to pay the fee over a period of two months with \$30 due the first month and \$20 the second month. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Replace ALJ Findings 351, and 353-356 with the OAG's proposed language.
- b. Adopt the OAG's proposed Finding 357.

Or

- 507. Maintain the current reconnection fee of \$75, but require GMG to allow customers to pay the \$75 reconnection fee over a three-month period in installments of \$30 the first month, \$25 the second month, and \$20 the third month. [OAG alternative]

Or

- 508. Continue to allow GMG to charge its \$75 reconnection fee. [GMG]

Interruptible Customer Rates

(Please see staff briefing papers, Volume V at 24)

509. Preclude GMG from offering Interruptible Class service to seasonal users that will never need to interrupt. Require GMG to either move such customers to firm rates or change its demand entitlement process to reflect the fact that GMG rarely interrupts its interruptible customers. [OAG]

[If the Commission makes this determination, it may want to adopt one or more of the following recommended by the OAG:]

- a. Replace ALJ Findings 357 and 360 with OAG's proposed language.
 - b. Adopt the OAG's proposed Finding 359.
510. Require GMG to inform interruptible customers that GMG may require them to curtail usage for economic purposes, such as high natural gas prices. Modify ALJ Finding 361 accordingly as shown in OAG's Exceptions. [OAG]

[If the Commission makes this determination, it may want to adopt the following recommended by the OAG:]

- a. Adopt the OAG's proposed Finding 361.

Late Fees Revenue

(Please see staff briefing papers, Volume V at 26)

511. Adopt the inclusion of late fees revenues of \$13,435 to Test Year. [ALJ, Department, GMG]

General Housekeeping and Compliance Issues

(Please see staff briefing papers, Volume I at 62-63)

All of the compliance filing requirements in the decision options are standard rate case compliance items. These requirements ensure that GMG files various financial and rate design schedules that reflect the Commission's decision, revised tariff sheets, a draft customer notice, and an interim rate refund plan.

Staff also recommends the Commission order GMG to include a set of financial summaries that includes: a schedule showing the calculation of GMG's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of total allowed revenues.

Decision alternatives for General Housekeeping and Compliance Issues

901. State that the final order in this docket shall contain summary financial schedules including: a calculation of GMG's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of the total allowed revenues. Direct parties to work with Commission staff to prepare such schedules for inclusion in the Order, should modifications be necessary to reflect the Commission's final decision.
902. Require GMG to make the following compliance filings within 30 days of the date of the final order in this docket:
 - a. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:
 - i. Breakdown of Total Operating Revenues by type;
 - ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:
 - a) Total revenue by customer class;
 - b) Total number of customers, the customer charge and total customer charge revenue by customer class; and
 - c) For each customer class, the total number of energy and demand related billing units, the per unit energy and demand cost of energy, and the total energy and demand related sales revenues.
 - iii. Revised tariff sheets incorporating authorized rate design decisions;
 - iv. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
 - b. A summary listing of all other rate riders and charges in effect, and continuing, after

the date final rates are implemented.

- c. Direct GMG to file a computation of the CCRC based upon the decisions made herein for inclusion in the final Order. Direct GMG to file a schedule detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective.
 - d. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates consistent with the Commission's decisions in this proceeding, including interest to affected customers.
903. Authorize comments on all compliance filings within 30 days of the date they are filed. However, comments are not necessary on GMG's proposed customer notice.
904. Move that the written order memorializing these decisions may rearrange, reorganize, or renumber the items included as necessary for clarity; standardize or correct abbreviations, phraseology, punctuation, and format; and correct errors as necessary for consistency with the Commission's decision and may amend the ALJ's findings as necessary to be consistent with the Commission's decision.
905. Move that the Commission direct the staff to draft an order consistent with the Commission's decisions with such changes necessary for organization, consistency, and clarity.