

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange
Dan Lipschultz
Matthew Schuerger
Katie J. Sieben
John A. Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition by
United Natural Gas LLC (UNG) for
approval of its Request for a Small Gas
Utility Franchise Exemption

ISSUE DATE: May 23, 2017

DOCKET NO. G-6960/M-16-214

DOCKET NO. PL-6580/M-16-1026

In the Matter of a Petition by
Greater Minnesota Transmission, LLC's
(GMT) for Approval of a Firm Gas
Transportation Agreement with United
Natural Gas, L.L.C. (UNG), a subsidiary of
United Farmers Cooperative

ORDER SOLICITING COMMENT

PROCEDURAL HISTORY

On May 24, 2016, the Commission issued its order in Docket No. G-6960/M-16-214 (the Retail Docket) granting the request of United Natural Gas LLC (UNG) to be exempt, due to UNG's small size, from certain regulatory requirements of natural gas distribution companies. Under Minnesota Statutes section 216B.16, subdivision 12, this exemption applies only to service provided in municipalities that had consented to the exemption—in this case, Lafayette and Courtland—and to incidental service beyond those municipalities.

On December 7, 2016, Greater Minnesota Transmission, LLC (GMT) initiated Docket No. PL-6580/M-16-1026 (the Wholesale Docket) by petitioning for approval of a contract to transport natural gas to new distribution facilities that UNG plans to build to serve the Lower Sioux Indian Community (Lower Sioux Community). GMT would transport this gas via a new 35-mile intrastate pipeline it plans to build.

Thereafter GMT and the Minnesota Department of Commerce (the Department) developed the record of the Wholesale Docket.

On February 7, 2017, UNG filed a "Supplemental Document" in the Retail Docket that, in effect, requested to extend its regulatory exemption to the service that UNG proposes to provide to the Lower Sioux Community.

On April 7, 2017, the Department requested that the Commission require UNG to provide additional justification for its exemption request, noting that the Lower Sioux Community did not qualify as a municipality for purposes of Minnesota Statutes section 216B.16, subdivision 12.

On April 17, 2017, UNG filed comments arguing, among other things, that the Lower Sioux Community is entitled to sovereign immunity, and thus should not be subject to the requirements of Minnesota Statutes, Chapter 216B.16.

On April 18, 2017, both the Retail Docket and the Wholesale Docket came before the Commission.

FINDINGS AND CONCLUSIONS

Based upon a well-developed record, the Commission will approve GMT's contract with UNG in the Wholesale Docket by separate order.

However, the Commission finds that questions about UNG's exemption request and the opportunities that GMT's new pipeline may afford for extending natural gas service—to the Lower Sioux Community, municipalities along the pipeline's 35-mile route, and incidentally beyond the boundaries of those municipalities—arose too late in the proceeding to permit adequate record development. Consequently the Commission will direct its staff to solicit additional comment on UNG's exemption request and related matters.

The Commission will so order.

ORDER

1. The Commission's staff shall establish a comment period for interested parties on the applicability of UNG's exemption to the service area indicated in the agreement, and related matters.
2. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Daniel P. Wolf
Executive Secretary



This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service.