

**STATE OF MINNESOTA  
BEFORE THE PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Joseph K. Sullivan	Vice Chair
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner
John Tuma	Commissioner

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

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

**ANSWER OF THE OFFICE OF  
THE ATTORNEY GENERAL—  
RESIDENTIAL UTILITIES DIVISION  
TO THE PETITION FOR REHEARING,  
RECONSIDERATION AND  
CLARIFICATION OF GREATER  
MINNESOTA GAS, INC.**

**INTRODUCTION**

The Office of the Attorney General—Residential Utilities Division (OAG) respectfully submits the following Answer to Greater Minnesota Gas, Inc.’s (GMG) petition for rehearing and reconsideration of the Commission’s November 26, 2025 Findings of Fact, Conclusions, and Order in the above-referenced matter. GMG argues that the Commission made an error in finding there is no reasonable basis to approve GMG’s rebuttal sales forecast.<sup>1</sup> The Commission should reject GMG’s petition because the Commission did not err; it properly found that GMG’s rebuttal sales forecast was inaccurate because GMG failed to update its costs.<sup>2</sup> The Commission furthermore properly adopted the OAG’s sales forecast recommendation because the OAG’s recommendation

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<sup>1</sup> Petition for Rehearing, Reconsideration and Clarification at 3 (Dec. 16, 2025) (Petition).

<sup>2</sup> Findings of Fact, Conclusions, and Order at 25, 48 (Nov. 26, 2025).

properly updated costs<sup>3</sup> and GMG failed to demonstrate that it was reasonable to forecast adding no new small commercial customers.<sup>4</sup>

## ANALYSIS

GMG fails to demonstrate any errors or ambiguities in the Commission’s rate case order, and GMG’s petition for reconsideration should therefore be denied. The Commission may grant a petition for reconsideration if it “appear[s] that the original decision . . . is in any respect unlawful or unreasonable.”<sup>5</sup> In the past, the Commission has denied petitions for reconsideration where they “do not raise new issues, do not point to new and relevant evidence, do not expose material errors or ambiguities in the . . . order, and do not otherwise persuade the Commission that it should rethink the decisions set forth in its order.”<sup>6</sup> GMG argues that the Commission’s Findings of Fact, Conclusions, and Order contains “errors or ambiguities” because the Commission found that it was reasonable to increase GMG’s forecasted test-year small commercial customer count to 990 and that it was unreasonable to adopt GMG’s rebuttal sales forecast.<sup>7</sup> GMG fails to demonstrate any error or ambiguity in the Commission’s order, notably failing to mention any of the Commission’s other relevant findings, and goes so far as to inaccurately represent the evidentiary record.<sup>8</sup> Because the Commission’s order and findings are thoroughly supported by the record, there are no flaws or ambiguities and GMG’s petition should be rejected.

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<sup>3</sup> Ex. OAG-303 at 10 (Stevenson Direct).

<sup>4</sup> Findings of Fact, Conclusions, and Order at 25, 48.

<sup>5</sup> Minn. Stat. § 216B.27, subd. 3.

<sup>6</sup> *In re App. of Minn. Power for Auth. To Increase Rates for Elec. Serv. in Minn.*, Docket No. E-015/GR-21-335, Order Denying Petitions for Reconsideration and Granting, In Part, Requests for Clarification at 1-2 (May 15, 2023).

<sup>7</sup> Petition at 3-4.

<sup>8</sup> Ex. OAG-303 at 10 (Stevenson Direct).

**I. THERE IS NO ERROR OR AMBIGUITY IN THE COMMISSION’S FINDINGS OF FACT, CONCLUSIONS, AND ORDER.**

The Commission’s order on GMG’s sales forecast customer counts lacks any error or ambiguity and is fully supported by the Commission’s findings. The Commission’s order states the following regarding GMG’s customer count sales forecast:

13. The Commission adopts the OAG’s recommendation to increase the Small Commercial count to 990 and makes modifications to the ALJ’s Report, as follows:
  - a. Replace ALJ Findings with the OAG’s proposed language, as shown above.
  - b. Adopt the OAG’s proposed Findings 184, 185, and 196.
  - c. Reject ALJ Finding 190.<sup>9</sup>

The order of the Commission was to adopt in full both the findings and the recommendations proposed by the OAG.

The Commission thus found that GMG’s rebuttal sales forecast – the one GMG is attempting to revive with its petition for reconsideration – was fatally flawed. Specifically, GMG presented a new forecast of its customer counts for all customer classes in rebuttal testimony that increased its alleged revenue requirement by \$92,834.<sup>10</sup> However, GMG only updated its revenues without updating any cost other than the cost of gas, meaning this large increase to its revenue requirement was calculated incorrectly using data sets that did not match.<sup>11</sup> While GMG’s actual year-end customer count was lower than in its original forecast, resulting in reduced forecasted revenues in its rebuttal sales forecast, GMG’s actual year-end costs were also lower than originally

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<sup>9</sup> Findings of Fact, Conclusions, and Order at 48.

<sup>10</sup> *Id.* at 25, 48.

<sup>11</sup> *Id.*; For a record citation, *compare* Ex. GMG-105, Sched. C-3 at 2-3 (Initial Filing – Volume 3 – Financial Information) to Ex. OAG-305, CS-S-1 at 6-7 (Stevenson Surrebuttal). Ex. OAG-305, CS-S-1 is the information request response containing the information that GMG used to calculate the increased revenue requirement. The only difference between page 2-3 of Ex. GMG-105, Sched. C-3 and page 6-7 of Ex. OAG-305, CS-S-1 is in the blue highlighted box; every other entry in the schedule – every other cost – is identical.

forecasted, which would have offset the reduced revenues if GMG had updated its costs.<sup>12</sup> But GMG did not update its costs.<sup>13</sup> The Commission found that “using the updated sales forecast but the original costs of service and operating expenses as advocated by GMG would mean an artificially-increased overall revenue requirement and incorrect Class Cost of Service analysis.”<sup>14</sup>

The Commission also ordered that the forecasted test-year small commercial customer count be increased from 946 to 990.<sup>15</sup> The Commission made multiple findings supporting the conclusion that GMG had failed to carry its burden to demonstrate that its small commercial customer count forecast should remain 946. The Commission found that, whereas GMG had claimed that 946 small commercial customers was reasonable because it had not identified any new commercial loads to be added to its system, GMG already had 970 small commercial customers when it made that allegation.<sup>16</sup> GMG then added another 26 such customers, ending 2024 with 996 small commercial customers.<sup>17</sup> Additionally, the Commission found that GMG had historically added about 30 small commercial customers each year from 2018 to 2023<sup>18</sup> and that GMG had not carried its burden to demonstrate that it would not add any new small commercial customers in 2025.<sup>19</sup>

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<sup>12</sup> For example, the projected rate base that GMG used was higher than the 2024 actuals. *Compare* Ex. GMG-105, Sched. B-1 at 1 (Initial Filing – Volume 3 – Financial Information) to Ex. OAG-305, CS-S-1 at 3 (Stevenson Surrebuttal). The rate base used for the new calculation, depicted at Ex. OAG-305, CS-S-1 at 3, line 1 is the same as the rate base used in the initial filing, depicted at Ex. GMG-105, Sched. B-1 at 1, line 18. The actual 2024 rate base was lower. Ex. OAG-301, SL-D-12 at 3, line 18 (Lee Direct).

<sup>13</sup> In addition to the information at the record citations in the two preceding footnotes, GMG explicitly admitted that it did not update its costs. GMG Initial Br. at 55.

<sup>14</sup> Findings of Fact, Conclusions, and Order at 25, 48.

<sup>15</sup> *Id.* at 48.

<sup>16</sup> *Id.* at 24-25, 48.

<sup>17</sup> *Id.* at 25, 48.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

Because of these findings, the Commission adopted the OAG’s recommendation to use the original test year sales forecast, which appropriately matched forecasted revenues and forecasted costs to calculate an accurate revenue requirement, and to increase the forecasted test-year small commercial customer count to 990 to reflect the finding that GMG’s projection of zero growth in that class was unreasonable.<sup>20</sup> There was no error or ambiguity in these determinations.

## **II. GMG’S ARGUMENT FAILS TO ADDRESS THE COMMISSION’S FINDINGS REGARDING THE INACCURACY OF GMG’S UPDATED FORECAST AND SMALL COMMERCIAL CLASS CUSTOMER ADDITIONS.**

GMG tries to flip the Commission’s order on its head. GMG argues that its rebuttal sales forecast should be adopted because the rebuttal forecast used GMG’s actual year-end customer counts, basing its argument entirely on one sentence where the Commission concludes that using 990 small commercial customers more accurately reflects the actual number of GMG’s small commercial customers than the Company’s request of 946.<sup>21</sup> According to GMG, this means that its flawed rebuttal sales forecast should have been adopted by the Commission because the rebuttal forecast used GMG’s actual year-end 2024 customer counts.<sup>22</sup>

GMG’s argument fails to account for the Commission’s determination that GMG’s rebuttal sales forecast is fatally inaccurate. Specifically, GMG failed to update any of its costs when it updated its customer counts.<sup>23</sup> Thus, contrary to GMG’s contention that the Commission reduced GMG’s revenue requirement “by more than \$90,000,”<sup>24</sup> in actual fact, the Commission rejected GMG’s attempt to artificially *increase* its revenue requirement by that amount.<sup>25</sup> The Commission concluded that “that there is not a reasonable basis in the record to approve GMG’s updated sales

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<sup>20</sup> *Id.*

<sup>21</sup> Petition at 4; Findings of Fact, Conclusions, and Order at 26.

<sup>22</sup> Petition at 4.

<sup>23</sup> Findings of Fact, Conclusions, and Order at 25, 48.

<sup>24</sup> Petition at 4.

<sup>25</sup> Findings of Fact, Conclusions, and Order at 25, 48.

forecast. Updating revenues without updating costs brings into question the accuracy of the updated revenue requirement.”<sup>26</sup>

Moreover, GMG fails to address any of the Commission’s findings supporting the adoption of a forecasted test-year small commercial customer count of 990 customers. GMG focuses on the single statement that 990 is closer to GMG’s actual small commercial customer count than GMG had forecasted,<sup>27</sup> and ignores all of the Commission’s relevant findings, namely that GMG 1) had claimed that it would not add any small commercial customers in 2024 even after it had already added many of them in 2024;<sup>28</sup> 2) failed to provide any explanation for this discrepancy or any evidence that it would not continue to grow;<sup>29</sup> and 3) had added an average of 30 small commercial customers each year from 2018 to 2023.<sup>30</sup> These findings, ignored by GMG, demonstrate that there is no error or ambiguity in the Commission’s order.

Most concerning, GMG inaccurately represents the evidentiary record. GMG states that “the Commission did not require an adjustment updating costs associated with adopting the OAG’s recommended Small Commercial customer count.”<sup>31</sup> This statement is highly misleading. The Commission did not “require” an update to costs because the OAG’s sales forecast that the Commission adopted *already* incorporated updated costs.

The OAG’s analyst Chad Stevenson incorporated updated costs into his sales forecast recommendation in his direct testimony.<sup>32</sup> Mr. Stevenson walked through how he performed his sales forecast adjustment in his direct testimony:

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<sup>26</sup> *Id.* at 26.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 24-25, 48.

<sup>29</sup> *Id.* at 25, 48

<sup>30</sup> *Id.*

<sup>31</sup> Petition at 5.

<sup>32</sup> Ex. OAG-303 at 10 (Stevenson Direct).

I estimated the impact of adding 44 small commercial customers on GMG's revenue deficiency by first estimating the increase in non-gas revenues. I calculated the increase in non-gas revenues by assuming new small commercial customers would on average use the same amount of gas, 125.4 MCF, as current small commercial customers. I then 15 subtracted the increase in non-gas costs due to the additional 44 small commercial customers. *I assumed each customer would increase non-gas costs by \$331.54.* The net revenue from the additional 44 small commercial customers lowered GMG's revenue deficiency by \$13,840.<sup>33</sup>

After describing his methodology, Mr. Stevenson recognized that the cost increase of \$331.54 per small commercial customer was an estimate because GMG does not keep records on meters or services by class.<sup>34</sup> But in its rebuttal testimony, GMG did not rebut these cost calculations or attempt to provide alternative cost estimates for changing the small commercial customer count.<sup>35</sup> Nor did GMG follow the OAG's example and offer its own updated costs, instead updating only its customer counts in order to increase its revenue requirement by \$92,834. By contrast, the OAG's recommendation that appropriately incorporated updated costs resulted in only a modest \$13,840 reduction to GMG's revenue requirement.<sup>36</sup>

Instead of performing a supported and methodologically sound sales forecast adjustment in rebuttal, as the OAG did in direct testimony, GMG chose to opportunistically update only its forecasted customer counts for all classes without updating associated costs. GMG's argument relies on ignoring the majority of the relevant Commission findings and should be rejected.

## CONCLUSION

Granting GMG's petition for reconsideration would flatly contradict the facts in the record and the Commission's findings regarding GMG's sales forecast. This would increase GMG's final

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<sup>33</sup> Ex. OAG-303 at 10 (Stevenson Direct) (footnotes omitted) (emphasis added). The OAG increased the small commercial customer count and therefore calculated a corresponding increase in costs. By contrast, GMG reduced all customer counts but did not reduce corresponding costs.

<sup>34</sup> Ex. OAG-303 at 11 (Stevenson Direct).

<sup>35</sup> See generally Ex. GMG-109 (Burke Rebuttal)

<sup>36</sup> Findings of Fact, Conclusions, and Order at 25, 48.

revenue requirement by \$106,674,<sup>37</sup> awarding GMG an extra \$92,834 in annual revenue requirement that was not even in GMG's original rate request, at its customers' expense. The Commission should reject GMG's petition, which is based entirely on selective and inaccurate representations.

Dated: December 29, 2025

Respectfully submitted,

KEITH ELLISON  
Attorney General  
State of Minnesota

/s/ Joey Cherney

JOEY CHERNEY

Assistant Attorney General  
Atty. Reg. No. 0403219

445 Minnesota Street, Suite 600  
St. Paul, Minnesota 55101-2125  
(651) 300-7569 (Voice)  
(651) 296-9663 (Fax)  
Joey.Cherney@ag.state.mn.us

ATTORNEYS FOR MINNESOTA  
OFFICE OF THE ATTORNEY GENERAL—  
RESIDENTIAL UTILITIES DIVISION

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<sup>37</sup> The Commission's order reduced the revenue requirement by \$13,840 from GMG's initial request. GMG's rebuttal forecast increased the revenue requirement by \$92,834 from GMG's initial request. GMG's petition would both eliminate the \$13,840 reduction and add the \$92,834 increase.  $13840 + 92834 = 106674$ .