

Greater Minnesota Gas, Inc  
Docket No. G022/GR-24-350  
Adjusted Revenue Requirements

Line No	Description	Adjusted 2025 Test Year	Reference	Original Filing	Change
1	Net Rate Base - Average	\$ 45,109,842	See Rate Base	\$ 44,920,151	\$ 189,691
2	Rate of Return	7.920%	See Rate of Return	8.199%	
3	Net Operating Income Required	<u>\$ 3,572,722</u>		<u>\$ 3,683,003</u>	<u>\$ (110,282)</u>
4	Net Operating Income	\$ 2,599,139	See Operating Income	\$ 2,673,077	\$ (73,938)
5	Net Operating Income Deficiency	<u>\$ 973,582</u>		<u>\$ 1,009,926</u>	<u>\$ (36,344)</u>
6	Gross Revenue Conversion Factor	1.403312	Resolved Issue #1	1.408451	
7	Taxes	\$ 392,658		\$ 412,505	\$ (19,848)
8	<b>Revenue Deficiency</b>	<u><b>\$ 1,366,240</b></u>		<u><b>\$ 1,422,431</b></u>	<u><b>\$ (56,191)</b></u>
		7.5%	increase in revenue		

**Greater Minnesota Gas, Inc**  
**Docket No. G022/GR-24-350**  
**Resolved Issues**

<b>No.</b>	<b>Issue</b>	<b>Where to Find the Adjustment</b>
1	Gross Revenue Conversion Factor (GRCF) of 1.403312 (DOC - Uphus/Johnson Direct; GMG – Burke Rebuttal)	See Revenue Requirements
2	Capital Structure (Treatment of Shareholder Guarantees) of 50.44% long-term debt; 0.68% short-term debt and 48.87% common stock equity (DOC - Addonizio Surrebuttal; GMG – Palmer live testimony)	See Rate of Return
3	Cost of long-term debt of 5.76% (DOC – Addonizio Direct and Surrebuttal; GMG – Palmer Rebuttal)	See Rate of Return
4	Cost of short-term debt of 8.0% (DOC – Palmer Direct and Rebuttal; DOC – Addonizio Direct and Surrebuttal)	See Rate of Return
5	15 Basis Points for Flotation on Cost of Debt (DOC – Addonizio Direct; GMG – Palmer Rebuttal) (as incorporated in #3 above)	See Rate of Return
6	Bad Debt Expense of \$21,600 as proposed (GMG – Burke Direct and Rebuttal; DOC – Uphus/Johnson Direct, Johnson Surrebuttal)	No adjustmnet
7	Late Fees of \$13,435 (Burke Rebuttal; DOC – Johnson Direct and Surrebuttal)	See Operating Income
8	Sales Expense – Salary of \$18,000 as proposed (GMG – Burke Direct and Rebuttal; DOC – Johnson Direct and Surrebuttal)	No adjustmnet
9	Rebates Expense adjustment of \$900 (GMG – Burke Direct and Rebuttal; DOC – Johnson Direct and Surrebuttal)	See Operating Income
10	Advertising Expense of \$69,600 as proposed (GMG – Burke Direct and Rebuttal; DOC – Johnson Direct and Surrebuttal)	No adjustmnet
11	Gas Storage Inventory increase of \$222,239 to rate base (GMG – Burke Direct and Rebuttal; DOC – Johnson Direct and Surrebuttal)	See Rate Base
12	No adjustment for top ten paid officers and employees (GMG – Palmer Rebuttal, DOC Johnson Direct and Surrebuttal)	No adjustmnet

Greater Minnesota Gas, Inc  
Docket No. G022/GR-24-350  
Adjusted Rate of Return and Interest Expense

Line No.	Component	(1) 13 Month Average (\$ Millions)	(2)* Ratio	(3)** Cost	(4) Weighted Cost
1	<u>Weighted Cost of Capital</u>				
2	Long Term Debt	\$ 23.659	50.44%	5.76%	2.905%
3	Short Term Debt	\$ 0.319	0.68%	8.00%	0.054%
4	Equity	\$ 22.922	48.87%	10.15%	4.960%
5	Total	\$ 46.905	99.99%		7.920%
6	Flotation Cost				0.000%
7	Total Capital Cost				<u>7.920%</u>

**Resolved Issues:**

- \* 2) Ratio - Resolved issue #2
- \*\* 3) Cost - Resolved issue #3 -5 (includes floatation cost)

**Return on Equity Adjusted per GMG**

**Calculated Interest Expense**

	Amount	Rate	Total
Long Term Debt	\$ 23,658,882	5.76%	\$ 1,362,752
Short Term Debt	\$ 318,954	8.00%	\$ 25,516
<b>Total Interest Expense</b>			<b><u>\$ 1,388,268</u></b>
Original Filing			\$ 1,451,562
Change			<u>\$ (63,294)</u>

Greater Minnesota Gas, Inc  
Docket No. G022/GR-24-350  
Adjusted Rate Base Summary

Line No	Description	December 31		Average	Projected Test Year 2025		
		2023	2024 Est		December 31	Average	
1	Utility Plant in Service						
2	Distribution	\$ 56,843,786	\$ 58,793,786	\$ 57,818,786	\$ 60,868,786	\$ 59,831,286	
3	General	\$ 1,921,745	\$ 2,271,745	\$ 2,096,745	\$ 2,621,745	\$ 2,446,745	
4	Total Plant in Service	<u>\$ 58,765,531</u>	<u>\$ 61,065,531</u>	<u>\$ 59,915,531</u>	<u>\$ 63,490,531</u>	<u>\$ 62,278,031</u>	
5	Accumulated Depreciation & Amortization						
6	Distribution	\$ 11,885,611	\$ 13,092,377	\$ 12,488,994	\$ 14,344,079	\$ 13,718,228	
7	General	\$ 754,107	\$ 990,067	\$ 872,087	\$ 1,263,166	\$ 1,126,617	
	Total Acc Deprec. & Amort.	<u>\$ 12,639,718</u>	<u>\$ 14,082,444</u>	<u>\$ 13,361,081</u>	<u>\$ 15,607,245</u>	<u>\$ 14,844,844</u>	
8	Salvage	\$ 2,241,657	\$ 2,565,657	\$ 2,403,657	\$ 2,894,791	\$ 2,730,224	
9	Total Acc Deprec, Amort & Salvage	<u>\$ 14,881,375</u>	<u>\$ 16,648,101</u>	<u>\$ 15,764,738</u>	<u>\$ 18,502,036</u>	<u>\$ 17,575,068</u>	
10	Net Utility Plant	<u>\$ 43,884,156</u>	<u>\$ 44,417,430</u>	<u>\$ 44,150,793</u>	<u>\$ 44,988,495</u>	<u>\$ 44,702,963</u>	
11	Contribution in Aid to Construction			\$ (85,951)		\$ (22,308)	
12	Working Capital						
13	Materials and Supplies - 13 mo Average			\$ 531,753		\$ 545,723	
14	Gas Storage Inventory - 13 mo Average			\$ 554,124		\$ 709,397	Adjusted per Resolved Issue #11
15	Prepayments - 13 mo Average			\$ 328,268		\$ 349,612	
16	Cash Working Capital	\$ 1,281,421	\$ 1,356,487	\$ 1,318,954	\$ 1,486,250	\$ 1,421,368	Adjusted per Resolved Issue #7 & 9
17	Less Deferred Income Taxes	\$ (2,137,000)	\$ (2,447,262)	\$ (2,292,131)	\$ (2,746,564)	\$ (2,596,913)	
18	Rate Base			<u>\$ 44,505,811</u>		<u>\$ 45,109,842</u>	

Greater Minnesota Gas, Inc  
Docket No. G022/GR-24-350  
Adjusted Cash Working Capital  
FERC 45-day Method

Line No	Description	2025 Test Year	Original Filing	Change
1	Total Operating Expenses	\$ 15,193,051	\$ 15,281,233	\$ (88,182)
2	Less:			
3	Depreciation, Amortization, & Salvage	\$ 1,853,935	\$ 1,853,935	\$ -
4	Taxes Other than Income	\$ 844,151	\$ 844,151	\$ -
5	Income Taxes	\$ 439,827	\$ 449,778	\$ (9,952)
6	Subtotal Deductions	<u>\$ 3,137,913</u>	<u>\$ 3,147,864</u>	<u>\$ (9,952)</u>
8	Adjusted Operating Expenses	<u>\$ 12,055,138</u>	<u>\$ 12,583,147</u>	<u>\$ (528,009)</u>
9	Factor 45/365	12.329%	12.329%	
10	Calculated Cash Working Capital	<u>\$ 1,486,250</u>	<u>\$ 1,551,347</u>	<u>\$ (65,097)</u>

Greater Minnesota Gas, Inc  
 Docket No. G022/GR-24-350  
 Adjusted Gas In Storage  
 FERC 45-day Method

Line No	Date	2025 Test Year	
1	December (Previous yr)	\$	599,316
2	January	\$	412,569
3	February	\$	263,848
4	March	\$	242,569
5	April	\$	211,291
6	May	\$	393,167
7	June	\$	575,042
8	July	\$	756,917
9	August	\$	938,792
10	September	\$	1,120,668
11	October	\$	1,256,943
12	November	\$	1,325,272
13	December	\$	1,125,764
14	13-Month Average	<b>\$ 709,397</b>	
	Originally filed	\$	487,157
	<b>Change</b>	\$	222,240
			Resolved Issue #11

Greater Minnesota Gas, Inc  
Docket No. G022/GR-24-350  
Adjusted Sum of Operating Income

Line No	Description	2025 Test Year	Resolved Adjustments	GMG Adjustments	Adjusted 2025 Test Year
	Operating Revenue as filed	\$ 18,404,089			
	Late Fees - Resolved Issue #7		\$ 13,435		
	GMG Adjusted Forecast with 2024 YE Numbers			\$ (185,507)	
	ADJUSTED Operating Revenue				\$ 18,232,017
	Operating Expense as filed	\$ 15,281,233			
	Rebates Expense - Resolved Issue #9		\$ (900)		
	GMG portion of AGA Lobbying fees			\$ (159)	
	GMG Adjusted Forecast for Cost of Gas			\$ (87,123)	
	ADJUSTED Operating Expense				\$ 15,193,051
	Net Op Income Before Taxes				\$ 3,038,966
	Income Taxes				\$ 439,827
	Net Op Income				<u>\$ 2,599,139</u>

Greater Minnesota Gas, Inc  
Docket No. G022/GR-24-350  
Adjusted Income Taxes

Line No	Description	Adjusted 2025 Test Year	Note	Original Filing	Change
1	Operating Revenue	\$ 18,232,017	Adjusted on Operating Income tab	\$ 18,404,089	\$ (172,072)
2	Operating Expense	\$ 15,193,051	Adjusted on Operating Income tab	\$ 15,281,233	\$ (88,182)
3	Net Operating Income before Taxes	<u>\$ 3,038,966</u>		<u>\$ 3,122,856</u>	<u>\$ (83,890)</u>
4	Less:				
5	Interest Expense	\$ 1,388,268	Adjusted on Rate of Return tab	\$ 1,451,562	\$ (63,294)
6	Management Fee	\$ 80,374		\$ 80,374	\$ -
7	Other Expense	\$ 195,960		\$ 195,960	\$ -
8	Add:				
9	Other Income	\$ 156,000		\$ 156,000	\$ -
10	Taxable Income	<u>\$ 1,530,364</u>		<u>\$ 1,550,960</u>	<u>\$ (20,596)</u>
11	Income Taxes	\$ 439,827	Adjusted to 28.74% per Resolved Issue #1	\$ 449,778	\$ (9,952)
12	Net Income	<u>\$ 1,090,537</u>		<u>\$ 1,101,181</u>	<u>\$ (10,644)</u>