

## Docket No. G999/CI-21-565 Line Extension Policy **CORRECTED** Decision Options

*\*Positions at time of filing briefing papers have been removed; positions were updated to reflect responses to staff request for preferred decision, if provided. Commenter positions have been corrected as of 21:00 on June 3, 2026. Additions will be shown in bold and removals will be shown in strikethrough.*

### **New, Filed Decision Option Packages:**

- CEE/Xcel/LIUNA/Energy CENTS Coalition (May 22)
- OAG/Department (May 27)
- Commissioner Partridge (May 29)
- Fresh Energy/ MCEA (May 29)
- Joint Commenters (May 29; CPE, MERC, GMG, GP, Minnesota Pipe Trades Association, International Union of Operating Engineers Local 49, International Brotherhood of Electrical Workers State Council, Housing First, Minnesota Farm Bureau Federation, Minnesota Multi Housing Association, the Coalition of Greater Minnesota Cities, Minnesota Corn Growers Association, and Minnesota Biofuels Association)
- Fresh Energy/ MCEA/ CUB (June 2)

### **I. Eliminate Line Extension Allowances**

1. Require that all regulated gas utilities eliminate line extension allowances. (**Comunidades Organizando el Poder y la Acción Latina (COPAL), Health Professionals for a Healthy Climate, Ayada Leads, Resilient Cities & Communities, Curtis Nordgaard (Pediatrician), CURE preferred; Cooperative Energy Futures (CEF) preferred; Sierra Club preferred; Fresh Energy, MCEA, and CUB preferred; Phius Alliance preferred; Rewiring America preferred**)

### **II. Retain Line Extension Allowances**

*If not selecting 1, the Commission may choose from 2-4.*

2. For rate-regulated natural gas utilities that include footage allowances in line extension tariffs, establish maximum distances of 75 feet for service lines and 80 feet for mains as the portion of installation costs not charged to the customer, unless the utility demonstrates that a greater maximum distance is consistent with the public interest. (~~Center for Energy and Environment (CEE), Xcel, LIUNA, and Energy CENTS Coalition (ECC); Cooperative Energy Futures (CEF) alternative; CURE alternative; Fresh Energy, MCEA, and CUB, alternative, if DO#1 is not selected~~), **OR**

**Partridge MODIFIED 2. (in blue)**

For rate-regulated natural gas utilities that include footage allowances in line extension tariffs, establish maximum distances of 75 feet for service lines and 80 feet for mains as the portion of installation costs not charged to the customer, unless and until the Commission approves an alternative maximum distance in a general rate case. ~~unless the utility can demonstrate that a greater maximum distance is consistent with the public interest.~~ (MERC with DO#13 **and clarification**; Supported by Center for Energy and Environment (CEE), Energy CENTS Coalition (ECC), Xcel, and LIUNA) **OR**

**Fresh Energy and MCEA MODIFIED 2. (in red)**

For rate-regulated natural gas utilities that include footage allowances in line extension tariffs, establish maximum distances for of 75 feet for service lines and 80 feet for mains as the portion of installation costs not charged to the customer, as follows: ~~unless the utility can demonstrate that a greater maximum distance is consistent with the public interest.~~

- By January 1, 2027, reduce line extension allowances to a maximum of 75 feet for service lines and 80 feet for mains;

- by January 1, 2028, reduce line extension allowances to a maximum of 30 feet for service lines and 40 feet for mains;

- by January 1, 2029, fully eliminate line extension allowances.

(Supported by Sierra Club as well as CUB, Rewiring America, **CEF, CURE**, and Phius Alliance if DO#1 is not selected; also, supported by **Fresh Energy, MCEA, and CUB, alternative, if DO#1 is not selected**)

3. Continue to allow utilities to offer residential line and main extension allowances. **OR**

**Joint Commenters MODIFIED 3. (In red)**

Continue to allow utilities to offer residential line and main extension allowances. No tariff updates are required unless otherwise ordered. (The Joint Commenters: CPE, MERC, GP, Minnesota Pipe Trades Association, International Union of Operating Engineers Local 49, International Brotherhood of Electrical Workers State Council, Housing First, Minnesota Farm Bureau Federation, Minnesota Multi Housing Association, the Coalition of Greater Minnesota Cities, Minnesota Corn Growers Association, and Minnesota Biofuels Association, collectively the Joint Commenters, ~~recommend along with NOT selecting any form of Decision Option #13;~~ North Metro Mayors support the Joint Commenters; MN Blue Flame Association) **OR**

**OAG/DOC MODIFIED 3. (in red)**

Continue to allow utilities to offer residential line and main extension allowances subject to the below requirements (OAG; Department). **OR**

4. Any modifications to a gas utility's line extension policy, along with the topics and policy questions required in Docket No. G999/CI-90-563, should continue to be presented and addressed within a utility rate case. ().

### III. Modify and Justify Tariffs and Allowance Calculation

5. Change the threshold for approval of line extensions from the current requirement that each line extension must be at least cost-neutral to customers, to a requirement that a utility's overall extension program be cost-neutral ().

#### Modify the Calculation that Justifies Main and Service Line Extension Allowances

6. No later than six months from the order in this docket, require utilities to file new line- and main-extension allowance justifications that set allowance amounts for residential customers that include the following assumptions: (The Joint Commenters OPPOSE as well as North Metro Mayors)
  - A. All costs to extend and provide service to new customers, including but not limited to:
    - i. Line- and main-extension costs per foot using the most recent available costs;
    - ii. The cost of a meter using the most recent available cost;
    - iii. Ongoing costs to provide service to new customers, including but not limited to
      - a. Per customer estimates of customer accounts expenses (FERC Account Nos. 901-910).
      - b. Per customer estimates of other system wide operations and maintenance costs;
  - B. Estimates of non-gas revenues based on a use per customer that accounts for either:
    - i. New building usage with declining usage beginning the year when a customer is likely to begin replacing any gas appliance with more efficient gas appliances or electric appliances;
    - ii. Average customer usage with declining usage beginning in year 1 or year 2.
  - C. A depreciation period that matches the utility's authorized depreciation period for

service lines and mains in its most recently approved depreciation certification;

- D. A payback period that ensures new customers pay back the full cost of the extension and that balances the interests of new and existing customers considering various public-interest factors, including but not limited to:
- i. the risk that an extension is not used and useful for its assumed depreciable life;
  - ii. the risk of receiving less revenues than assumed in the extension allowance justification;
  - iii. the interests of new consumers in accessing consumer protections and economic benefits offered by regulated natural gas service;
  - iv. the interests of existing and new low-income customers;
  - v. Minnesota's greenhouse gas emissions-reduction goals; and
  - vi. intergenerational inequities arising from current natural gas customers paying for benefits received by future natural gas customers.
7. Prohibit utilities from applying additional CIAC waivers beyond the standard free footage or main- and line-extension allowance for residential extensions. (*Rewiring America preferred*)
8. Remove the cap for excess footage charges ( )

#### **Low-Income Payment Options**

9. Require utilities to allow customers to pay CIAC over the course of their first year of service. ( )
10. Require utilities to waive CIAC payments for customers who show they lack the ability to pay. ( ) **OR**

**Joint Commenters' ALTERNATIVE Decision Option 10.** (in red)

Within 90 days after the Order in this proceeding, the gas utilities shall consult with Office of the Attorney General and make a compliance filing about the possibility of waiving CIAC for customers who lack the ability to pay. (North Metro Mayors support; **GP**)

#### **Rate Case Discussions of Line Extension Tariffs**

11. Following an initial reset of extension allowances in line with the above principles through compliance filings in this docket, utilities must review their extension allowance policies and

file information about the following items either in each general rate case or for a set period of time in a notice and comment docket (The Joint Commenters OPPOSE as well as North Metro Mayors):

- A. Whether the utility's free footage or service extension allowance included the majority of all new extensions with only the extremely long extensions requiring a CIAC.
  - B. Whether the utility's free footage or extension allowance ensures that existing customers will benefit from new customers' additions to the system within a reasonable time period. Utilities shall include a determination that:
    - i. The assumed revenues from the new customer include a reasonable estimate of use per customer that accounts for potential declining customer usage from energy efficiency and electrification of heating and appliances. ( )
    - ii. All costs of serving the new customer are included in the calculation.
    - iii. The length of the payback period and the methodology used to calculate it are reasonable.
  - C. If offered, whether the utility's extension charge refund policy is appropriate.
  - D. Whether the utility's extension allowance should be measured in number of feet (i.e. free footage) or be based on an estimate of the customer's estimated usage (taking into account square footage, number of gas appliances, non-gas heating equipment, etc.).
  - E. Whether offering free footage or an extension allowance continues to be reasonable in light of current and forecasted gas-system utilization, advances in technology, state and federal policy, and risks to ratepayers of stranded assets or an overbuilt system, **OR**
12. Require that rate-regulated natural gas utilities filing a rate case or new or modified line extension tariffs demonstrate that the proposed tariff has considered the following (The Joint Commenters OPPOSE as well as North Metro Mayors):
- A. How does the tariff consider Minnesota's greenhouse gas emission reduction goals?
  - B. How does the tariff consider the utility's efforts and actions taken by the Commission and the Department in other proceedings, including but not limited to Gas Integrated



Resource Plans, Natural Gas Innovation Act Plans, Energy Conservation and Optimization Plans, and other utility pilots, programs, and rate design offerings?

- C. How does the tariff consider affordability and ratepayer protections related to both existing and new customers?
- D. How does the tariff consider the differences in serving various customer types, such as whether service is being extended to new structures or existing structures without gas service?
- E. How does the tariff consider the viability and affordability of alternative heating fuels?
- F. How does the tariff consider economic development and local job impacts?

### Additional Filings

13. Within 30 days of the Commission's Order, require all rate-regulated gas utilities to file a compliance filing with updated line extension tariffs reflecting the changes made through the Commission's decision in this matter. The compliance filing does not need to include new considerations for line extension tariffs approved by the Commission in this proceeding. (~~CEE, Xcel, LIUNA, and Energy CENTS Coalition; Fresh Energy, MCEA, and CUB, alternative, if DO#1 is not selected; Rewiring America alternative, CEF alternative; CURE alternative; CUB if DO#1 is not selected; The Joint Commenters OPPOSE as well as North Metro Mayors~~) OR

### Partridge MODIFIED 13. (in blue)

Within 30 days of the Commission's Order, all rate-regulated gas utilities shall file a compliance filing with updated line extension tariffs reflecting the maximum footage allowances for line extension tariffs approved in this Order. ~~changes made through the Commission's decision in this matter. The compliance filing does not need to include new considerations for line extension tariffs approved by the Commission in this proceeding.~~ (Supported by Fresh Energy and MCEA; Department; OAG, Supported by CEE, ECC, Xcel, and LIUNA; **MERC may support with Partridge MODIFIED 2 and clarification;** ~~The Joint Commenters OPPOSE as well as North Metro Mayors~~)

### Fresh Energy and MCEA MODIFIED CEE/Xcel/LIUNA/ECC 13. (in red)

Within 30 days of the Commission's Order, all rate-regulated gas utilities shall file a compliance filing with updated line extension tariffs reflecting the changes made through the Commission's decision in this matter. ~~The compliance filing does not need to include new considerations for line extension tariffs approved by the Commission in this proceeding.~~ (CEF, CURE, if DO#1 is not selected; **Fresh Energy, MCEA, and CUB**, alternative, if DO#1 is not selected; **Rewiring America** if DO#1 is not selected)

14. Delegate authority to the Executive Secretary to, [at a relevant future date] in an appropriate docket or proceeding, issue a notice of comment period to consider modifications to the line extension considerations due to significant changes in Minnesota's policy or technology landscape. (CEE, Xcel, LIUNA, and Energy CENTS Coalition; The Joint Commenters **including GP**, and North Metro Mayors) **OR**

#### PARTRIDGE NEW 14.

Beginning with 2026 sales data and going forward, all rate-regulated utilities must file a compliance filing if and when the utility experiences a sustained reduction in throughput as calculated below:

- A. the utility's annual natural gas throughput declines year over year for 3 consecutive years, or
- B. the utility's average annual natural gas sales per residential customer declines year over year for 3 consecutive years.

The filing shall provide data related to the utility's natural gas sales trends for each customer class and use per customer over a 10-year lookback period, a discussion of factors that may be driving declining throughput or use per customer, and whether the declining throughput or per customer usage warrants changes to the utility's footage allowance and line extension policies. Following the utility filing, the Executive Secretary may open a comment period. (Supported by CEE, ECC, and LIUNA and supported by **OAG** and CPE) **OR**

#### **XCEL MODIFICATION TO PARTRIDGE NEW 14.** (in red, to opening paragraph only)

Beginning with 2026 sales data and going forward, all rate-regulated utilities must file a compliance filing if and when the utility experiences a sustained, weather-normalized reduction in throughput as calculated below: **OR**

#### **Fresh Energy, MCEA, and CUB, MODIFIED PARTRIDGE NEW 14** (in red)

Beginning with ~~2021~~2026 sales data and going forward, all rate-regulated utilities must file a compliance filing if and when the utility experiences a sustained reduction in throughput as calculated below:

- A. the utility's annual natural gas throughput, calculated as a 3-year rolling average of actual data, declines year over year for 3 consecutive years, or
- B. the utility's average annual natural gas sales per residential customer, calculated as a 3-year rolling average of actual data, declines year over year for 3 consecutive years.

The filing shall provide data related to the utility's natural gas sales trends for each customer class and use per customer over a 10-year lookback period, a discussion of factors that may be driving declining throughput or use per customer, and whether the declining throughput or per customer usage warrants changes to the utility's footage allowance and line extension policies. Following the utility filing, the Executive Secretary may open a comment period. (Supported by the Department of Commerce)

#### IV. The Gas System, Broadly

##### ECO

*The Commission can consider 15 and in doing so, can select either first paragraph and then any combination of A-C, but only one of D or E.*

SUPPORT 15	OPPOSE 15
Fresh Energy, MCEA, and CUB. Alternative, if DO#1 is not selected. Support as modified by Fresh Energy and MCEA.	The Joint Commenters Oppose
<b>Cooperative Energy Futures, preferred Support as modified by Fresh Energy and MCEA.</b>	The Department Opposes
<b>CURE. Alternative, if DO#1 is not selected. Support as modified by Fresh Energy and MCEA.</b>	North Metro Mayors Oppose
CEE, ECC, Xcel, and LIUNA	
CUB, if DO#1 is not selected	
Rewiring America supports Fresh Energy and MCEA modifications, <i>preferred</i>	

**CEE, Xcel, LIUNA, and Energy CENTS Coalition MODIFIED 15.** (in red)

**Fresh Energy and MCEA MODIFIED 15.** (in ~~black~~-strikethrough, first paragraph only)

**MERC ALTERNATIVE 15.** (for subparts B and D only, in *italic red*)

15. Require rate-regulated natural gas utilities that include a footage allowance in their line extension tariffs following the Commission's decision in this matter to file a ~~new or amended~~ single-family new construction ECO program, or program modification if the utility already offers a single-family new construction ECO program, with the Department that includes the components listed below. Utilities shall prioritize timely implementation of the programmatic components while considering impacts to program partners. Utilities may

include provisions in their filing to monitor the ongoing impact of these requirements and propose modifications if needed, consistent with ECO procedures and protocols. (CEE, Xcel, LIUNA, and Energy CENTS Coalition) **OR**

Require rate-regulated natural gas utilities that include a footage allowance in their line extension tariffs following the Commission's decision in this matter to file ~~a single-family-new construction ECO program, or~~ program modification if the utility already offers a single-family new construction ECO program, with the Department that includes the components listed below. Utilities shall prioritize timely implementation of the programmatic components while considering impacts to program partners. Utilities may include provisions in their filing to monitor the ongoing impact of these requirements and propose modifications if needed, consistent with ECO procedures and protocols. (Fresh Energy & MCEA)

- A. Require participating homes to achieve minimum energy savings of at least 10 percent better than Minnesota's residential building code requirements. (CEE, Xcel, LIUNA, and Energy CENTS Coalition; Fresh Energy & MCEA)
  - B. *Participating homes must become natural gas customers to participate in the program, but* Do not require installation of specific natural gas appliances to be eligible for the program ~~and do not make rebate levels contingent on installation of specific natural gas appliances.~~ (CEE, Xcel, LIUNA, and Energy CENTS Coalition without MERC edits; Fresh Energy & MCEA without MERC edits)
  - C. Provide a bonus rebate for homes with a UA threshold that is better than Minnesota's residential building code requirements. (CEE, Xcel, LIUNA, and Energy CENTS Coalition; Fresh Energy & MCEA)
  - D. Require *the program to include additional incentives for the* installation of an air source or ground source heat pump in lieu of a central air conditioner to be eligible to participate in the program. *Air source and ground source heat pumps must be installed with natural gas back-up for home heating.* (CEE, Xcel, LIUNA, and Energy CENTS Coalition without MERC edits; Fresh Energy & MCEA without MERC edits), **OR**
  - E. Do not require installation of an air source heat pump in order to receive a new construction rebate ( )
16. Redirect incentives away from gas towards energy efficiency and weatherization, strategic electrification, and all-electric new construction. ( )

### ~~Rate Design Discussion~~ Hydro-Quebec Énergir Model

17. Xcel Energy shall review and evaluate dual fuel models, including the Hydro-Quebec Énergir model. In its first gas IRP due on July 1, 2026, Xcel Energy shall discuss potential implementation challenges and propose a next step, such as an analysis, roadmap, pilot, etc., toward considering greater collaboration and integration in dual fuel system planning in an area where the Company's electric and gas service territories overlap, or explain why the examined models lack applicability in Minnesota if necessary. (~~CEE, Xcel, LIUNA, and Energy CENTS Coalition; The Department OPPOSES~~) or

**CEE, Xcel, LIUNA, and Energy CENTS Coalition MODIFIED 17.** (in red)

Encourage parties to develop a record on dual fuel models, including the Hydro-Quebec Énergir model, in Xcel's Gas Integrated Resource Plan filed July 1, 2026. This could include discussion of implementation challenges and potential next steps, with consideration toward greater collaboration and integration in dual fuel system planning in areas where Xcel's electric and gas service territories overlap (The Joint Commenters Support including MERC and GP; North Metro Mayors support; The Department OPPOSES). OR

**Partridge MODIFIED 17.** (in blue)

Xcel Energy will review and evaluate dual fuel models, including the Hydro-Quebec Énergir model. Within 90 days of the Commission's Order, Xcel Energy will make a filing in its Natural Gas Integrated Resource Plan docket discussing potential implementation challenges and propose a next step, such as an analysis, roadmap, pilot, etc., toward considering greater collaboration and integration in dual fuel system planning in an area where the Company's electric and gas service territories overlap, or explain why the examined models lack applicability in Minnesota if necessary. (CPE, **OAG**, and MERC also support; Supported by CEE, ECC, Xcel, and LIUNA; The Department OPPOSES) OR

### Additional Analyses and Work with Stakeholders

18. Request the ongoing Gas Utility Innovation Roundtable, convened by the Great Plains Institute ("GPI"), develop benchmarks for gas utility decarbonization through 2050. ()
19. Delegate authority to the Executive Secretary to provide the Gas Utility Innovation Roundtable direction on meeting topics, the envisioned timeline, and preferred deliverables for discussion. ()
- A. Determine that participation in the Gas Utility Innovation Roundtable is eligible for participant compensation. OR

- B. Determine that participation in the Gas Utility Innovation Roundtable is not eligible for participant compensation. **OR**
  - C. Defer any decision on whether participation in the Gas Utility Roundtable may be eligible for participant compensation until a request for compensation is received under Minn. Stat. § 216B.631.
20. Require an economic analysis on impacts to a variety of industries, sectors, and individuals in Minnesota by changes to natural gas policy, including fees for line extensions. ()
  21. Request that participants in any future proceeding that could alter long-standing line-extension frameworks conduct Minnesota-specific analysis of technology performance, costs, and housing impacts. ()
  22. Require utilities in all resource planning and pilot proposals to include information to allow explicit evaluation of housing affordability and supply impacts. ()
  23. Request that the Executive Secretary engage housing industry stakeholders directly in any future policy development affecting residential infrastructure. ()

#### **NEW 24.**

**CEE, Xcel, LIUNA, and Energy CENTS Coalition NEW 24.** (in black text); (The Joint Commenters and North Metro Mayors OPPOSE)

**Partridge MODIFIED NEW 24.** (in Blue) Supported by CEE, ECC, and LIUNA

24. The Commission establishes the following guidelines for utilities to apply to residential line and main extension allowance calculations in their rate cases. Utilities may petition to use alternative approaches that differ from guidance if justification is submitted and approved by the Commission.
  - A. Include all costs to extend and provide service to new customers including extension costs per foot, meters and ongoing O&M using the most recent available information.
  - B. Include estimates of non-~~gas-fuel~~ revenues based on a use per customer that considers the potential for declining usage in the future if it is likely the customer could replace gas appliances with electric appliances.

- C. Depreciation period should match the utility's authorized depreciation period for service lines and mains in its most recently approved depreciation certification.
- D. Payback period should reasonably ensure new customers pay back the full cost of the extension and balance the interests of new and existing customers considering the public interest.
- E. Utilities should not apply additional CIAC waivers beyond the Commission-approved standard free footage or main- and line-extension allowance for residential extensions.
- F. Utilities shall provide all assumptions and inputs used to calculate or support customer line and main extension allowances, including but not limited to all costs to serve new customers, all expected non-fuel revenues, and payback period. Utilities shall provide any workbooks with all formulas intact in .xlsx format.
- G. Utilities shall provide, for each customer class, the percent of total line extensions that are installed to serve new construction versus the percent of total extensions that are installed to serve existing structures. Provide the average use per customer for newly connected customers for new construction accounts and for existing customers for each customer class for the 3 years prior. (*\*Re: subpart G, Xcel does not currently have processes in place to ensure accurate analysis. However, can provide data to the extent it exists today or find a solution to provide in the future.*)

**OAG/DOC MODIFIED NEW 24. (in red)**

Within 6 months of the Commission's order in Docket No. 21-565, each natural gas utility must file a proposal in new, utility-specific dockets to update their line-extension allowance calculations and policies. The Commission will review and approve updated line extension allowances to ensure the calculations and policies are in line with the below criteria: ~~establishes the following guidelines for utilities to apply to residential line and main extension allowance calculations in their rate cases. Utilities may petition to use alternative approaches that differ from guidance if justification is submitted and approved by the Commission.~~

- A. Include all costs to extend and provide service to new customers including extension costs per foot, meters and ongoing O&M and customer accounts expenses, using the most recent available information.

- B. Include estimates of non-gas revenues based on a use per customer that incorporates reasonable projections for future ~~considers the potential for~~ declining usage caused by customer electrification of appliances, including decreases to annual usage (not simply peak demand), building efficiency, or the changing climate. This analysis should include, at minimum, assessment of impacts from investments made in ECO and NGIA, as well as broader market trends and consistency with state decarbonization policy. ~~in the future if it is likely the customer could replace gas-appliances with electric appliances.~~
- C. Depreciation period should match the utility's authorized depreciation period for service lines and mains in its most recently approved depreciation certification.
- D. Payback period should reasonably ensure new customers pay back the full cost of the extension and balance the interests of new and existing customers considering the public interest.
- E. No ~~Utilities should not apply~~ additional CIAC waivers beyond the standard free footage or main- and line-extension allowance for residential extensions.

#### NEW 25.

**CEE, Xcel, LIUNA, and Energy CENTS Coalition NEW 25.** (in black text)

**Partridge MODIFIED NEW 25** (in Blue) Supported by CEE, ECC, Xcel, and LIUNA

**OAG / DOC MODIFIED NEW 25** (in red)

Utilities shall provide the Commission with information about the following items in each general rate case in which a free footage or service extension allowance is being considered.

- A. Whether the utility's free footage or service extension allowance included a majority of all new extensions with only the extremely long extensions requiring a CIAC.
- B. Whether the utility's free footage or extension allowance ensures that existing customers will benefit from new customer additions to the system within a reasonable time period. Utilities should include a showing that:
  - i. The assumed revenues from the new customer include a reasonable estimate of use per customer that accounts for potential declining usage from energy efficiency and electrification of heating and appliances. This estimate should include, at minimum, assessment of impacts from investments made in ECO and NGIA, as well as broader market trends and consistency with state decarbonization policy.
  - ii. All costs of serving the new customer are included in the calculation.

iii. The length of the payback period and the methodology used to calculate it are reasonable

- C. If offered, whether the utility's extension charge refund policy is appropriate.
- D. Whether the utility's extension allowance should be measured in number of feet (i.e. free footage) or be based on the customer's estimated usage (considering square footage, number of gas appliances, non-gasfuel heating equipment, etc.).
- E. Whether offering free footage or an extension allowance continues to be reasonable given current and forecasted gas system utilization, advances in technology, state and federal policy including Minnesota's net-zero by 2050 GHG emissions reduction goal, and risks to ratepayers of stranded assets or an overbuilt system.
- F. How does the tariff consider Minnesota's greenhouse gas emissions reduction goals and other relevant state policies?
- G. How does the tariff consider the utility's efforts achievements and actions taken by the Commission and the Department in other proceedings, including but not limited to Gas Integrated Resource Plans, Natural Gas Innovation Act Plans, Energy Conservation and Optimization Plans, and other utility pilots, programs, and rate design offerings?
- H. How does the tariff consider affordability and ratepayer protections related to both existing and new customers?
- I. How does the tariff consider the differences in serving various customer types, such as whether service is being extended to new structures or existing structures without gas service?
- J. How does the tariff consider the viability and affordability of alternative heating fuels?
- K. How does the tariff consider economic development and local job impacts?

**OR**

**Joint Commenters' ALTERNATIVE Decision Option 25.** (in black text)

In future rate case proceedings, natural gas utilities shall address the following topics related to line extension and allowance policies:

- A. Explain the policy and/or economic basis for the line extension and allowance policy.

- B. Provide information about line extensions and allowances completed in the last year for which complete financial data is available, including:
- i. The average amount of footage required to connect to the company's existing infrastructure;
  - ii. Average total expense incurred by the company to connect to the company's existing infrastructure; and,
  - iii. Average required Contribution in Aid of Construction (CIAC) payment, if any, that the company required to the company's existing infrastructure.
- C. Identify changes in technology, state and federal policy, or Commission actions that have an impact on the line extension and allowance policy, and whether they justify a change in the line extension and allowance policy.
- D. Discuss the impact of line extension and allowances policies on customer groups, including low-income customers, the balance between existing and new customers, and the impacts on economic development and local jobs.

(North Metro Mayors support; **MERC, GP, CPE**)

#### **NEW 26.**

**OAG/DOC NEW 26.** (in black text)

(The Joint Commenters and North Metro Mayors OPPOSE)

For any utility providing a line extension allowance, the utility must annually file the following information as part of its annual gas service quality reporting:

- A. The street address, including house/building number, street name, unit number, city, state, and ZIP code;
- B. The amount of footage required to connect the identified location to the Company's existing infrastructure;
- C. The nature of any other facilities that were extended, enlarged, or modified for the purpose of supplying gas service to the identified location;
- D. The total, actual expense incurred by the Company to connect the identified location to the company's existing infrastructure; and

- E. The required Contribution in Aid of Construction (CIAC) payment, if any, that the Company required to connect the identified location to the Company's existing infrastructure.
- F. The estimated average home price for each new development requesting a gas line extension allowance.
- G. For any developments with estimated average home prices exceeding \$1,000,000 the company shall provide justification to show that this extension will not invoke a cross subsidization or exempt this property from line extension allowances.