GREAT PLAINS
NATURAL GAS CO.
A Division of Montana-Dakota Utilities Co.

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April 15, 2021

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2147

Re: Gas Utility Infrastructure Cost Adjustment Tariff
2021 Revenue Requirement and Revised Adjustment Factors
Docket No. G004/M-21-___.

Dear Mr. Seuffert:

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., herewith electronically submits its Annual Report and Petition for approval of recovery of updated Gas Utility Infrastructure Costs (GUIC) under its GUIC Adjustment Tariff for 2021. This annual report presents the projected 2021 revenue requirement to be recovered through the GUIC and the continued amortization of the net under-collected balance pursuant to the August 3, 2020 Minnesota Public Utilities Commission's Order in Docket No. G-004/M-20-422 with rates effective October 1, 2020.

GUIC Costs and Recoveries

Under/(Over) Recovery - December 2019	$933,138
Actual Recoveries: October - December 2020	(212,331)
Total Under Recovery as of December 31, 2020	$720,807
Projected 2021 Revenue Requirement	191,430
Estimated Recoveries: January - September 2021	(665,746)
Total Required Recovery - October 2021 - September 2022	$246,491

The Company proposes the following rates to be effective October 1, 2021.

	Proposed Rate	Current Rate	Change
Sales:			
Residential	$0.0962	$0.3041	($0.2079)
Firm General	$0.1127	$0.1803	($0.0676)
Grain Drying	$0.1614	1/	N/A
Small Interruptible	$0.0312	$0.1788	($0.1476)
Large Interruptible	$0.0087	$0.0975	($0.0888)
Transportation:			
Small Interruptible	$0.0522	$0.0350	$0.0172
Large Interruptible (including Margin Sharing Customer)	($0.0413)	$0.0865	($0.1278)

1/ New rate class authorized in Docket No. G004/GR-19-511. Grain Drying customers are currently included with Small or Large Interruptible customers.

As authorized in Docket No. G-004/GR-19-511, the customer classes were revised to add the newly established Grain Drying class, as well as to include the Margin Sharing Customer's volumes and revenues in the Large Interruptible – Transport customer class.

Great Plains respectfully requests this filing be accepted as being in full compliance with the filing requirements of this Commission and that the Commission approve the Annual Report and Petition as consistent with the public interest.

If you have any questions regarding this filing, please contact me at (701) 222-7855 or Brian Meloy, at (612) 335-1451.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

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SUMMARY OF FILING

Great Plains Natural Gas Co., (Great Plains) a Division of Montana-Dakota Utilities Co., established a Gas Utility Infrastructure Cost (GUIC) adjustment tariff in 2017 pursuant to Minn. Stat. § 216B.1635. Great Plains now submits a Petition for approval of the 2021 Revenue Requirement and continued amortization of the net under-recovered balance resulting in a total of $246,491 to be recovered effective with service rendered on and after October 1, 2021.

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
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In the Matter of the Petition of Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., for Approval of a Gas Utility Infrastructure Cost Adjustment for 2021 Revenue Requirement	)))))	Docket No. G004/M-21-___

PETITION

I. INTRODUCTION AND SUMMARY

Great Plains Natural Gas Co., (Great Plains) a Division of Montana-Dakota Utilities Co., established a Gas Utility Infrastructure Cost (GUIC) adjustment tariff in 2017 pursuant to Minn. Stat. § 216B.1635. Great Plains hereby petitions the Minnesota Public Utilities Commission (Commission) for approval of the annual update to its Gas Utility Infrastructure Cost (GUIC) tariff adjustment to be effective with service rendered on and after October 1, 2021[1]. This update reflects the projected 2021 revenue requirement and the continued amortization of the net under collected balance authorized in Docket No. G-004/M-20-422. Exhibit A lists the matrix of information required by Minnesota Statute § 216B.1635 and identifies where the required information is contained in the filing.

[1] The effective date is consistent with the timing outlined in the GUIC tariff and the process changes as authorized in the Minnesota Public Utilities Commission Order issued March 21, 2018 in Docket No. G004/M-17-858.

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As discussed below, Great Plains' authorized GUIC tariff allows Great Plains to continue to recover costs and expenses that will be incurred to comply with federal regulations, specifically costs associated with the Distribution Integrity Management Program (DIMP). Great Plains respectfully requests to recover a 2021 revenue requirement of $191,430 and an under-collected balance of $55,061, which represents the remainder of the true-up of the 2019 costs and expenses associated with the authorized 2019 PVC pipe mains and services replacement projects (Docket No. G004-M-19-273) and all recoveries under the authorized tariff rate. There are no operation and maintenance expenses associated with the projects.

II. BACKGROUND

Minnesota Statute § 216B.1635 allows utilities to seek rider recovery of gas utility infrastructure costs. Gas utility infrastructure costs are those that are not included in the gas utility's rate base in its most recent general rate case, and that are incurred in projects involving: (1) the replacement of natural gas facilities required by road construction or other public work by or on behalf of a government agency or (2) the replacement or modification of existing facilities required by a federal or state agency, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure.

In December of 2003, PHMSA published the Transmission Integrity Management Rule or the "TIMP Rule" (49 C.F.R. 192, Subpart O). The TIMP Rule specifies how operators must identify, prioritize, assess, evaluate, repair, and validate the safety and integrity of its transmission pipelines that could affect High Consequence Areas or

“HCAs”. HCAs are highly populated buildings or outdoor areas of population. As required by the rule, Great Plains implemented its TIMP program in December of 2004. Since its inception, several revisions have been made to the program. The latest revision (Rev. 4) was made in September of 2013. Great Plains’ TIMP program consists of Fifteen Sections along with three associated appendices.

In December 2006, the President signed into law the Pipeline Inspection, Protection, Enforcement and Safety Act or the “PIPES Act”. As a result of the PIPES Act, PHMSA’s regulatory and enforcement authority was strengthened. The PIPES Act also mandates PHMSA to prescribe minimum standards for pipeline safety and integrity management programs for distribution pipelines. As a result, the law requires operators of distribution pipelines to continually identify and assess risks on their distribution systems to remediate conditions that present a potential threat to the integrity of their pipeline system. Operators must also monitor the program’s effectiveness.

As prescribed in the PIPES Act, PHMSA published the Integrity Management Program for Gas Distribution Pipelines Rule or the “DIMP Rule” (49 CFR Part 192, Subpart P) in December of 2009. DIMP requires operators to know the make-up of their distribution system along with the written development of a distribution pipeline safety and integrity management program. The objective of the plan is to develop a model to assist in determining which areas of the gas distribution system to focus operation, maintenance and repair efforts and resources due to known or predicted threats to the distribution system. As required by the rule, Great Plains implemented their DIMP program and is currently operating under the latest revision effective in March of 2014.

Great Plains proposed a GUIC rider to recover costs incurred to comply with federal regulations that set standards governing the safety, reliability, and integrity of natural gas distribution assets and infrastructure. Great Plains' DIMP program identified two capital projects for replacing polyvinyl chloride (PVC) pipe mains and services throughout the Company's service territory. Great Plains' proposal to recover the costs following the rate design approved by the Commission in the Company's most recent general rate case, excluding flexible rate customers, was approved by the Commission's in its Order dated October 6, 2017 in Docket No. G004/M-16-1066.

On September 29, 2019 Great Plains filed a natural gas rate case in Docket G004/19-511. Effective January 1, 2020, all projects previously recovered through the GUIC, as well as those contemplated during 2020, were included in the Company's interim revenue request that was also effective January 1, 2020. On September 6, 2019, Great Plains filed a Request to Modify the GUIC rider and suspend the GUIC rates effective January 1, 2020 to reflect the pending general rate case filing. Great Plains also proposed to true-up the 2019 revenue requirement and to defer the true-up balance to the next annual filing. The Commission issued an Order approving the suspension of rates on November 22, 2019 in Docket No. G004/M-19-273.

On April 15, 2020, Great Plains filed an update to the GUIC in Docket No. G004/M-20-422 to recover the net under collected balance as of December 31, 2019. On August 3, 2020 the Commission issued an Order approving the request to recover the balance with rates effective October 1, 2020.

Exhibit B provides an overview of the replacement projects to be completed in 2021 along with details of each capital project.

III. General Filing Information

Pursuant to Minn. Rules Part 7825.1300, Subpart 3, Great Plains provides the following general information:

Utility:	Great Plains Natural Gas Co. A Division of Montana-Dakota Utilities Co.
Company's Attorneys:	Brian M. Meloy Stinson Leonard Street LLP 50 South Sixth Street, Suite 2600 Minneapolis, MN 55402 Telephone: 612-335-1451
Date of Filing	April 15, 2021
Proposed Effective Date	October 1, 2021
Controlling Statute for Time in Processing the Filing	Minnesota Statute §216B.1635 does not establish a time for processing.
Utility personnel authorizing the filing and to whom copies of correspondence, pleadings and notices should be sent:	Travis R. Jacobson Director of Regulatory Affairs Great Plains Natural Gas Co. 400 North 4th Street Bismarck, ND 58501

IV. Description of Filing

A. Petitioner

Great Plains is a Minnesota public utility as defined in Minn. Stat. §216B.02, Subd. 4 and operates as a Division of Montana-Dakota Utilities Co. Great Plains is engaged in business as a natural gas local distribution company serving 18 communities in Minnesota and one in North Dakota. Great Plains currently provides natural gas utility service to approximately 22,000 customers in Minnesota and approximately 2,300 customers in North Dakota.

B. The GUIC Adjustment Tariff and True-Up Mechanism

Great Plains filed an update to its gas utility infrastructure cost (GUIC) adjustment tariff and implement a GUIC adjustment to be effective with service rendered on and after October 1, 2021 in accordance with the terms of the Gas Utility Infrastructure Cost Adjustment tariff. The updated tariff is provided in Exhibit C.

The calculation of the revenue requirement to be recovered through the GUIC is shown on Exhibit D and includes the authorized return on investment, depreciation, ad valorem taxes and income taxes related to the projects. The rate of return is that authorized in Docket No. G004/GR-19-511 effective April 1, 2021.

The Company's filing does not include an adjustment related to the infrastructure being replaced under its replacement program nor does it include the associated cost of removal. The mains and services are accounted for as mass assets which does not maintain the accumulated reserve for individual sections of pipe. Therefore, upon retirement of mains and service, the original cost of plant in service is removed and applied to the accumulated reserve balance with no resulting change in rate base. The Company's experience has indicated that there is no salvage value associated with PVC mains and services which have been removed.

The 2017 Tax Cuts and Jobs Act (TCJA) does not impact the current GUIC as the Company no longer has a accumulated deferred tax balance that was based on an income tax rate that is different than the present income tax rate; therefore, there are no excess deferred income taxes.

In order to maintain compliance with the Internal Revenue Service normalization rules for rates based on forecasted costs, Great Plains continues to apply the proration methodology for deferred income taxes in a manner consistent with the methodology underlying the rates approved by the Commission in Docket No. G004/M-18-282.

Exhibit E is the proposed GUIC adjustment proposed to be effective with service rendered on and after October 1, 2021. The total GUIC adjustment amount of $246,491 was allocated to the rate classes (residential, firm general, small interruptible and large interruptible sales and transportation, excluding the flexed transportation service agreements) based on the non-gas revenues authorized in Docket No. G004/GR-19-511.

Pursuant to the Order issued in Docket No. G-004/GR-19-511, the customer classes were revised to add the newly established Grain Drying class, as well as to include the Margin Sharing Customer's volumes and revenues in the Large Interruptible – Transport customer class. Prior to the implementation of rates in Docket No. G-004/GR-19-511, Grain Drying customers were served under the otherwise applicable interruptible sales rates (Rates 71 or 85). The Margin Sharing Customer was previously provided service under a flexible contract. Effective July 1, 2020, the customer's contract expired and the customer started service under the Large Interruptible Transportation rate.

The allocated revenue requirement was then divided by projected dk volumes for the period October 2021 – September 2022 to arrive at the adjustment per dk, with the proposed GUIC adjustment shown in the table below.

	Proposed Rate	Current Rate	Change
Sales:			
Residential	$0.0962	$0.3041	($0.2079)
Firm General	$0.1127	$0.1803	($0.0676)
Grain Drying	$0.1614	1/	N/A
Small Interruptible	$0.0312	$0.1788	($0.1476)
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Large Interruptible (including Margin Sharing Customer)	($0.0413)	$0.0865	($0.1278)

1/ New rate class authorized in Docket No. G004/GR-19-511. Grain Drying customers are currently included with Small or Large Interruptible customers.

A copy of the customer notice bill insert has been provided in Exhibit G.

V. THE GUIC ADJUSTMENT IS IN THE PUBLIC INTEREST

The GUIC adjustment is in the public interest as it fully complies with the requirements of Minn. Stat. § 216B.1635 in reflecting prudently incurred costs. The replacement of facilities for safety and reliability purposes benefits customers, as does the avoidance of a general rate case and the adjustment is consistent with the revenue allocation authorized in the last rate case (Docket No. G004/GR-19-511).

VI. FILING COMPLIANCE

The list of requirements set forth in Minn. Stat. §216B.1635 and Great Plains compliance with the requirements is contained in Exhibit A.

VII. CONCLUSION

Based on all of the information provided in this Petition, Great Plains respectfully requests that the Commission approve the Gas Utility Infrastructure Cost adjustment tariff and authorize the GUIC adjustment as set forth on Exhibit C effective with service rendered on and after October 1, 2021.

Respectfully submitted,

Great Plains Natural Gas Co.,
A Division of Montana-Dakota Utilities Co.

By: */s/ Travis R. Jacobson*

Travis R. Jacobson
Director of Regulatory Affairs

INFORMATION REQUIRED BY MINNESOTA PUBLIC UTILITIES
MINNESOTA STATUTE §216B.1635

Minnesota Statute	Information Requested	Section and page of Application
216B.1635 Subp. 2	**Gas Infrastructure Filing** A public utility submitting a petition to recover gas infrastructure costs under this section must submit to the commission, the department, and interested parties a gas infrastructure project plan report and a petition for rate recovery of only incremental costs associated with projects under subdivision 1, paragraph (c). The report and petition must be made at least 150 days in advance of implementation of the rate schedule, provided that the rate schedule will not be implemented until the petition is approved by the commission pursuant to subdivision 5. The report must be for a forecast period of one year.	Application
Subp. 3	**Gas infrastructure project plan report** The gas infrastructure project plan report required to be filed under subdivision 2 shall include all pertinent information and supporting data on each proposed project including, but not limited to, project description and scope, estimated project costs, and project in-service date.	Exhibit B
Subp. 4	**Cost recovery petition for utility's facilities** Notwithstanding any other provision of this chapter, the commission may approve a rate schedule for the automatic annual adjustment of charges for gas utility infrastructure costs net of revenues under this section, including a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and any incremental operation and maintenance costs. A gas utility's petition for approval of a rate schedule to recover gas utility infrastructure costs outside of a general rate case under section 216B.16 is subject to the following:	

Minnesota Statute		Information Requested	Section and page of Application
	(1)	a gas utility may submit a filing under this section no more than once per year; and	Annual April 15
	(2)	a gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC. The information includes, but is not limited to:	
	(i)	the information required to be included in the gas infrastructure project plan report under subdivision 3;	Exhibit B
	(ii)	the government entity ordering or requiring the gas utility project and the purpose for which the project is undertaken;	Exhibit B
	(iii)	a description of the estimated costs and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;	Exhibit B
	(iv)	a comparison of the utility's estimated costs included in the gas infrastructure project plan and the actual costs incurred, including a description of the utility's efforts to ensure the costs of the facilities are reasonable and prudently incurred;	Exhibit B
	(v)	calculations to establish that the rate adjustment is consistent with the terms of the rate schedule, including the proposed rate design and an explanation of why the proposed rate design is in the public interest;	Exhibit E and Exhibit F
	(vi)	the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;	Exhibit B
	(vii)	the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;	Exhibit F

Minnesota Statute	**Information Requested**	**Section and page of Application**
(viii)	the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case; and	Exhibit F
(ix)	the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.	Exhibit F
Subp. 6	**Rate of return** The return on investment for the rate adjustment shall be at the level approved by the commission in the public utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.	Exhibit D

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT
PROJECT DETAIL

TIMP Overview

Great Plains' TIMP plan assesses the integrity of transmission pipelines by the following criteria: High Consequence Areas (HCAs), threat and risk assessment. The integrity plan encompasses this information into three plans; the baseline assessment plan, direct assessment plan and remediation plan.

Once the pipeline has a baseline, there needs to be continuing evaluation of the pipeline integrity based on existing threats and new threats to the pipeline. The performance of the pipeline and assessment is updated periodically.

Great Plains' TIMP plan requires the Company to conduct a direct assessment of its transmission line located in high consequence areas. Due to location of the transmission line and results of the Company's assessment, a remediation action is necessary to relocate the pipeline and eliminate the high consequence area.

TIMP Projects

Great Plains has no TIMP projects forecasted for 2021.

DIMP Overview

Great Plains' DIMP model assesses nine different threat categories: Corrosion, Natural Forces, Equipment Failure, Excavation Damage, Incorrect Operation, Joint Failure, Outside Forces, Missing Values, and Other, all equally weighted.

A detailed geographical information system (GIS) map, with every piece or component that makes up the gas distribution system, both above and below ground, and with as much information about each piece as is available is used as the basis of the model. Scores for various factors were determined by a group of subject matter experts including office engineers, field engineers and field technicians.

The model sets a 50 foot by 50 foot grid to analyze all components. Each grid is then analyzed by nine individual sub-models with up to 150 calculations in each sub-model. This in turn produces a very comprehensive look at the entire system. In Minnesota, 4.49 million feet of pipe was analyzed with approximately 870,000 calculations to support the risk model.

The results obtained from the DIMP modeling are consistent with what was expected by the Company's subject matter experts. The top three risks identified by the DIMP model for Great Plains were:

1. Excavation Damage (driven by PVC)
2. Equipment Failure (driven by PVC)
3. Corrosion (driven by older vintage steel systems)

The DIMP results are used as an operational tool to aid in directing resources to reduce pipeline risks. The results are consistently analyzed to determine accelerated actions to the pipeline so that changes to resource planning and budgeting can be made to carry out the reduction in risks from pipeline threats.

<u>DIMP Projects</u>

All previously included project costs related to the 2016 – 2019 GUIC projects were included in the overall revenue requirement to calculate base rates in Docket No. G004/GR-19-511, as prescribed in the GUIC Tariff, Sheet No. 5-131 with states, "When the Company files its next general rate case, all project costs shall be removed from the

GUIC tracker and included in base rates. Only the true-up component (remaining GUIC tracker balance) shall remain in the GUIC Rider to be either collected or refunded to customers over a subsequent period." Great Plains has two capital budget projects that are includable in the GUIC; replacing PVC pipe mains and services in its Minnesota communities. The two funding projects and associated amounts for the projected 2021 period costs are shown below. The planned PVC replacement projects for 2021 will be in Montevideo. The costs include the capital costs of replacing the mains and services as there is no salvage associated with the PVC mains and services.

		Projected 2021
FP-200800	Replace PVC Mains	$1,180,392
FP-200823	Replace PVC Services	1,596,872
	Total capital expenditure	$2,777,264

At the end of 2020, approximately 46% of total mains and 50% of total services planned to be replaced has been completed. Last year's report stated 45% of mains and 54% of services were completed. Due to the continual improvements to the Company's DIMP model, the quantity of identified PVC pipe has increased, which accounts for the discrepancy. The list of planned PVC replacements is shown below. Great Plains is requesting recovery for the projected 2021 projects.

		Budget 1/	
Year	Location	Mains	Services
2021	Montevideo	41,253	609

1/ Based on Request for Proposal

The 2021 projects identified are being bid through a Request for Proposal (RFP) process. The bid process will be finalized in April. The costs and footages shown above are based on the quantities in the RFP.

Exhibit C

twelve months ending December 31. The amount may be an under recovery or (over) recovery.

b. The resulting balance is divided by the projected annual dk sales and transportation volumes.

3. When the Company files its next general rate case, all project costs shall be removed from the GUIC tracker and included in base rates. Only the true-up component (remaining GUIC tracker balance) shall remain in the GUIC Rider to be either collected or refunded to customers over a subsequent period.

4. The current GUIC adjustment for each rate class is (excluding flexible rate contracts):

	Adjustment Per Dk
Sales	
Residential	$0.0962
Firm General	$0.1127
Grain Drying	$0.1614
Small Interruptible	$0.0312
Large Interruptible	$0.0087
Transportation	
Small Interruptible	$0.0522
Large Interruptible	$(0.0413)

GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT

twelve months ending December 31. The amount may be an under recovery or (over) recovery.

b. The resulting balance is divided by the projected annual dk sales and transportation volumes.

3. When the Company files its next general rate case, all project costs shall be removed from the GUIC tracker and included in base rates. Only the true-up component (remaining GUIC tracker balance) shall remain in the GUIC Rider to be either collected or refunded to customers over a subsequent period.

4. The current GUIC adjustment for each rate class is (excluding flexible rate contracts):

	Adjustment Per Dk
Sales	
Residential	$~~0.3041~~0.0962
Firm General	$~~0.1803~~0.1127
Grain Drying	$0.1614
Small Interruptible ~~1/~~	$~~0.1788~~0.0312
Large Interruptible ~~2/~~	$~~0.0975~~0.0087
Transportation	
Small Interruptible	$~~0.0350~~0.0522
Large Interruptible	$~~0.0865~~(0.0413)

~~1/ Includes customers served under interruptible Grain Drying Rate 73 that prior to January 1, 2021 were served under the Company's Small interruptible Gas Sales Service Rate 71.~~
~~2/ Includes customers served under interruptible Grain Drying Rate 73 that prior to January 1, 2021 were served under the Company's Large Interruptible Gas Sales Service Rate 85.~~

GREAT PLAINS NATURAL GAS CO.
GUIC REVENUE REQUIREMENT
OVERALL REVENUE REQUIREMENT

GUIC Costs and Recoveries

Under/(Over) Recovery - December 2019	$933,138	1/
Actual Recoveries: October - December 2020	(212,331)	1/
Total Under Recovery as of December 31, 2020	$720,807	
Projected 2021 Revenue Requirement	191,430	2/
Estimated Recoveries: January - September 2021	(665,746)	
Total Required Recovery - October 2021 - September 2022	$246,491	

1/ Docket No. G004/M-20-422, Exhibit D, page 1. Rates effective October 1, 2020.
2/ Exhibit D, page 2.

GREAT PLAINS NATURAL GAS CO.
GUIC REVENUE REQUIREMENT

	PROJECTED 2021 SUMMARY		
	Total	**Mains** 1/	**Services** 2/
Depreciation Expense	$34,284	$13,804	$20,480
Ad Valorem Taxes	51,927	22,070	29,857
Return	82,564	37,348	45,216
Income Taxes	(32,363)	(13,742)	(18,621)
Gross up for Taxes	55,018	23,989	31,029
Total	$191,430	$83,469	$107,961
2021 Projected Plant Additions	$2,777,264	$1,180,392	$1,596,872

1/ Exhibit D, page 3.
2/ Exhibit D, page 4.

GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2021 REVENUE REQUIREMENT

Mains	Total	January	February	March	April	May	June	July	August	September	October	November	December
		2021 PROJECTED											
Plant in Service		0	0	0	0	123,114	375,128	627,732	869,358	928,260	1,129,517	1,139,550	1,180,392
Accumulated Reserve		0	0	0	0	0	327	1,324	2,993	5,304	7,772	10,775	13,804
ADIT		670	1,284	1,836	2,328	2,758	3,128	3,436	3,682	3,868	3,992	4,056	4,058
Rate Base		(670)	(1,284)	(1,836)	(2,328)	120,356	371,673	622,972	862,683	919,088	1,117,753	1,124,719	1,162,530
Return @ 7.119% 1/	$37,348	(4)	(8)	(11)	(14)	714	2,205	3,696	5,118	5,452	6,631	6,672	6,897
Expenses													
O&M	0												
Depreciation	13,804	0	0	0	0	0	327	997	1,669	2,311	2,468	3,003	3,029
Ad Valorem Taxes	22,070	0	0	0	0	192	584	978	1,355	1,446	1,760	1,776	13,979
Total Expenses	35,874	0	0	0	0	192	911	1,975	3,024	3,757	4,228	4,779	17,008
Income before taxes	(35,874)	0	0	0	0	(192)	(911)	(1,975)	(3,024)	(3,757)	(4,228)	(4,779)	(17,008)
Interest expense	11,942	(1)	(2)	(3)	(4)	228	705	1,182	1,636	1,743	2,120	2,133	2,205
Taxable Income	(47,816)	1	2	3	4	(420)	(1,616)	(3,157)	(4,660)	(5,500)	(6,348)	(6,912)	(19,213)
Income Taxes	13,742	0	(1)	(1)	(1)	121	464	907	1,339	1,581	1,824	1,987	5,522
Operating Income	(22,132)	0	(1)	(1)	(1)	(71)	(447)	(1,068)	(1,685)	(2,176)	(2,404)	(2,792)	(11,486)
Revenue Requirement	$83,469	($6)	($10)	($14)	($18)	$1,102	$3,722	$6,685	$9,547	$10,704	$12,679	$13,281	$25,797

1/ Authorized in Docket No. G004/GR-19-511.

GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2021 REVENUE REQUIREMENT

		2021 PROJECTED											
Services		January	February	March	April	May	June	July	August	September	October	November	December
Plant in Service		0	0	0	0	153,938	401,613	543,415	845,703	1,156,454	1,487,965	1,540,023	1,596,872
Accumulated Reserve		0	0	0	0	0	514	1,856	3,672	6,498	10,362	15,334	20,480
ADIT		866	1,660	2,374	3,010	3,566	4,044	4,442	4,760	5,001	5,161	5,244	5,247
Rate Base		(866)	(1,660)	(2,374)	(3,010)	150,372	397,055	537,117	837,271	1,144,955	1,472,442	1,519,445	1,571,145
	Total												
Return @ 7.119% 1/	$45,216	(5)	(10)	(14)	(18)	892	2,356	3,186	4,967	6,792	8,735	9,014	9,321
Expenses													
O&M	0												
Depreciation	20,480	0	0	0	0	0	514	1,342	1,816	2,826	3,864	4,972	5,146
Ad Valorem Taxes	29,857	0	0	0	0	240	626	847	1,318	1,802	2,318	2,399	20,307
Total Expenses	50,337	0	0	0	0	240	1,140	2,189	3,134	4,628	6,182	7,371	25,453
Income before taxes	(50,337)	0	0	0	0	(240)	(1,140)	(2,189)	(3,134)	(4,628)	(6,182)	(7,371)	(25,453)
Interest expense	14,456	(2)	(3)	(5)	(6)	285	753	1,019	1,588	2,172	2,793	2,882	2,980
Taxable Income	(64,793)	2	3	5	6	(525)	(1,893)	(3,208)	(4,722)	(6,800)	(8,975)	(10,253)	(28,433)
Income Taxes	18,621	(1)	(1)	(1)	(2)	151	544	922	1,357	1,954	2,579	2,947	8,172
Operating Income	(31,716)	(1)	(1)	(1)	(2)	(89)	(596)	(1,267)	(1,777)	(2,674)	(3,603)	(4,424)	(17,281)
Revenue Requirement	$107,961	($6)	($13)	($18)	($22)	$1,377	$4,143	$6,249	$9,464	$13,284	$17,314	$18,858	$37,331

1/ Authorized in Docket No. G004/GR-19-511.

GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2021 ADDITIONS - PROJECTED

		2021 Projected											
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Main													
Closure to Plant	$1,180,392	$0	$0	$0	$0	$123,114	$252,014	$252,604	$241,626	$58,902	$201,257	$10,033	$40,842
Plant In Service	1,180,392	0	0	0	0	123,114	375,128	627,732	869,358	928,260	1,129,517	1,139,550	1,180,392
Depreciation	13,804	0	0	0	0	0	327	997	1,669	2,311	2,468	3,003	3,029
Accumulated Reserve	13,804	0	0	0	0	0	327	1,324	2,993	5,304	7,772	10,775	13,804
ADIT - see page 7 1/	4,058	670	1,284	1,836	2,328	2,758	3,128	3,436	3,682	3,868	3,992	4,056	4,058
Net Plant	$1,162,530	($670)	($1,284)	($1,836)	($2,328)	$120,356	$371,673	$622,972	$862,683	$919,088	$1,117,753	$1,124,719	$1,162,530
Ad Valorem Taxes	$22,070	0	0	0	0	192	584	978	1,355	1,446	1,760	1,776	13,979

1/ Balances based on monthly proration methodology.

GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2021 ADDITIONS - PROJECTED

						2021 Projected							
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Services													
Closure to Plant	$1,596,872	$0	$0	$0	$0	$153,938	$247,675	$141,802	$302,288	$310,751	$331,511	$52,058	$56,849
Plant In Service	1,596,872	0	0	0	0	153,938	401,613	543,415	845,703	1,156,454	1,487,965	1,540,023	1,596,872
Depreciation	20,480	0	0	0	0	0	514	1,342	1,816	2,826	3,864	4,972	5,146
Accumulated Reserve	20,480	0	0	0	0	0	514	1,856	3,672	6,498	10,362	15,334	20,480
ADIT - see page 7 1/	5,247	866	1,660	2,374	3,010	3,566	4,044	4,442	4,760	5,001	5,161	5,244	5,247
Net Plant	$1,571,145	($866)	($1,660)	($2,374)	($3,010)	$150,372	$397,055	$537,117	$837,271	$1,144,955	$1,472,442	$1,519,445	$1,571,145
Ad Valorem Taxes	$29,857	0	0	0	0	240	626	847	1,318	1,802	2,318	2,399	20,307

1/ Balances based on monthly proration methodology.

GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS AND SERVICE
DEFERRED TAXES CALCULATION
GAS UTILITY - MINNESOTA
2021 ADDITIONS

2021 Plant additions - 2021 GUIC

		Mains			Service		
Month	Weighting for Projection	Monthly Increments	Balance/ Increments	Balance	Monthly Increments	Balance/ Increments	Balance
December 2020	100.00%			$0			$0
January 2021	91.78%	$730	$670	670	$944	$866	866
February	84.11%	730	614	1,284	944	794	1,660
March	75.62%	730	552	1,836	944	714	2,374
April	67.40%	730	492	2,328	944	636	3,010
May	58.90%	730	430	2,758	944	556	3,566
June	50.68%	730	370	3,128	944	478	4,044
July	42.19%	730	308	3,436	944	398	4,442
August	33.70%	730	246	3,682	944	318	4,760
September	25.48%	730	186	3,868	944	241	5,001
October	16.99%	730	124	3,992	944	160	5,161
November	8.77%	730	64	4,056	944	83	5,244
December	0.27%	724	2	4,058	940	3	5,247
Total		8,754	4,058		11,324	5,247	

	Mains 2021 GUIC		**Service** 2021 GUIC
Year end Plant Bal.:	$1,180,392	Year end Plant Bal.:	$1,596,872
Tax Depreciation Rate:	3.7500%	Tax Depreciation Rate:	3.7500%
	44,265		59,883
Book Depreciation:	13,804	Book Depreciation:	20,480
Remainder:	30,461	Remainder:	39,403
Income Tax Rate:	28.7400%	Income Tax Rate:	28.7400%
Deferred Income Tax:	$8,754	Deferred Income Tax:	$11,324
Monthly Increment:	$730	Monthly Increment:	$944

GREAT PLAINS NATURAL GAS CO.
AVERAGE UTILITY CAPITAL STRUCTURE
AUTHORIZED - MINNESOTA

	Ratio	Cost	Required Return
Authorized 2020 1/			
Long Term Debt	45.132%	4.712%	2.126%
Short Term Debt	4.053%	3.693%	0.150%
Common Equity	50.815%	9.530%	4.843%
Total	100.000%		7.119%

1/ Authorized in Docket No. G004/GR-19-511.

GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION
PROJECTED 2021

	Authorized 1/ Rev. Alloc	%	GUIC Net Under-Recovery	GUIC Recovery - 2020	GUIC Balance - Dec. 2020	GUIC Projected 2021 Rev. Require	GUIC Recover - 2021 2/	GUIC Necessary Recovery	Projected Dk 4/	Proposed Per Dk
Residential	$5,767,518	44.5630%	$444,523	$98,232	$346,291	$85,306	$289,728	$141,869	1,475,264	$0.0962
Firm General	3,894,949	30.0940%	286,943	48,315	238,628	57,609	151,423	144,814	1,284,582	0.1127
Grain Drying	355,147	2.7440%	41,921 6/	9,208	32,713	5,253	5,701	32,265	199,964	0.1614
Small IT Sales	841,369	6.5010%	67,474	15,546	51,928	12,445	51,230	13,143	421,093	0.0312
Large IT Sales	317,212	2.4510%	24,079	5,080	18,999	4,692	20,930	2,761	315,758	0.0087
Small IT Transport	161,987	1.2520%	4,088	335	3,753	2,397	1,732	4,418	84,645	0.0522
Large IT Transport 5/	1,604,280	12.3950%	64,110	35,615	28,495	23,728	145,002	(92,779)	2,245,052	(0.0413)
Flex Contracts	495,755									
Total	$2,100,035	12.3950%	$64,110	$35,615	$28,495	$23,728	$145,002	($92,779)	2,245,052	
Total	$13,438,217	100.0000%	$933,138 3/	$212,331	$720,807	$191,430 3/	$665,746	$246,491	6,026,358	
Excluding Flex	$12,942,462									

1/ Docket No. G004/GR-19-511, November 10, 2020 Final Order Compliance Filing, Exhibit 3, p. 2.
2/ Estimated recoveries through January - September 2021.
3/ Exhibit D, page 1.
4/ Projected dk for the period October 2021-September 2022 for non-flex classes.
5/ Includes the Margin Sharing Customer authorized in Docket No. G004/GR-19-511.
6/ GUIC net under-recovery was adjusted to identify the Grain Drying customers balance separate from the Small IT Sales and Large IT Sales class based on 2019 volumes.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT
INFORMATION REQUIRED PURSUANT TO
MINN. STAT. §216b.1635 SUBP. 4

(2)(vii) The magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges

Authorized margin - Docket No. G004/GR-19-511	$13,438,217
GUIC Revenue Requirement	$246,491
% of margin	1.8%

(2)(viii) The magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case

	Projected 2021
Capital Expenditures	$2,777,264
Capital expenditures - rate case 1/	$5,941,487
% of rate case expenditures	46.7%

1/ Docket No. G004/GR-19-511

(2)(ix) The amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.

The last general rate case was filed September 27, 2019 in Docket No. G004/GR-19-511 using a projected 2020 test period. The final order was issued March 1, 2021 with final rates effective April 1, 2021.

Gas Utility Infrastructure Cost Adjustment
Rate Effective October 1, 2021

On April 15, 2021, Great Plains Natural Gas Co. (Great Plains) filed with the Minnesota Public Utilities Commission (MNPUC) to update its Gas Utility Infrastructure Cost (GUIC) tariff, which allows Great Plains to recover the cost of infrastructure investments mandated by federal and state agencies associated with Great Plains' pipeline integrity and safety programs such as the cost of assessments, modifications and replacement of natural gas facilities that are not included in the base rate. The GUIC was initially approved by the MNPUC on October 6, 2017.

The per dekatherm adjustment charge approved in the GUIC filing is shown by customer class in the table below. The GUIC is reflected as a separate line item on your monthly gas service statement and will be effective with service rendered on or after October 1, 2021.

	Rate per Dekatherm (DK)
Sales	
Residential	$0.0962
Firm General	$0.1127
Grain Drying	$0.1614
Small Interruptible	$0.0312
Large Interruptible	$0.0087
Transportation (excluding flexible rate contracts)	
Small Interruptible	$0.0522
Large Interruptible (including Margin Sharing Customer)	($0.0413)

Questions? Contact us at 1-877-267-4764.