



705 West Fir Ave.  
PO Box 176  
Fergus Falls, MN 56538-0176  
1-877-267-4764

October 29, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

Re: Docket No. G004/M-15-645  
Informational Update Filing on Great Plains' 2015 Demand Entitlement Filing

Dear Mr. Wolf:

Great Plains Natural Gas Co. (Great Plains), a Division of MDU Resources Group, Inc., submitted its Demand Entitlement Filing on July 1, 2015 (July 1 DEQ) in the above referenced docket. In that filing, Great Plains proposed to increase the North District capacity by 700 dk per day. Also, as noted in that filing, a 500 dk per day firm gas purchase agreement with a gas supplier utilized to meet the 2014–2015 winter peak expired. The Company proposed to replace the expired contract as well as the incremental capacity with a seasonal contract on Viking. Great Plains now reports 700 dk per day of seasonal capacity was procured from Viking which results in a North District reserve percentage of 1.9% as shown on Exhibit B.

In addition, Great Plains entered into a contract for an additional 730 dk per day of firm gas to be delivered to Vikings' Chisago receipt point from a current gas supplier. This does not provide additional capacity to meet the North District's design day peak demand but does result in additional base load gas and provides additional capacity on the Northern pipeline to ensure gas is delivered to Viking.

The total customer impact of the updated demand profile compared to rates effective June 2015, is an increase of \$0.0136 per dk. Please see Table 1 below for the annual rate impacts for the North District, as originally filed and reflecting the changes noted above.

Table 1  
North District Annual Demand Rate Impacts

Filing	Residential Customer (103.8 Dkt)	Total Change Res (%)	Firm General Service (375.7 Dkt)	Total Change FGS (%)
July 1, 2015	(\$0.38)	-0.1	(\$1.39)	-0.1
November 1, 2015	\$1.41	0.9	\$5.11	0.9

Also in the July 1 DEQ, Great Plains proposed to increase the South District capacity by 730 dk per day with a TFX Seasonal contract from Northern. Northern had additional capacity available as a result of pipeline system improvements. Great Plains took advantage of this newly available capacity and entered into a 10-year, 2,000 dk per day annual capacity contract effective November 1, 2015. Although this amount of capacity exceeds current requirements, Great Plains believes it will require this amount of capacity in the near future. Great Plains has released 1,300 dk per day of the 2,000 dk per day additional capacity for the upcoming heating season to a third party marketer, which results in a reserve margin for the South District for the 2015-2016 season of 5.9 percent, net of the released capacity.

As stated in the July 1 DEQ filing, Great Plains agreed to update the Commission on the allocation of Northern's TF12 Base and TF12 Variable in place for the 2015-2016 season. Great Plains was informed that Northern is decreasing the TF12 Base by 496 dk to 4,604 dk per day, and increasing the TF12 Variable by 496 dk to 2,931 dk per day. This new allocation will be effective November 1, 2015.

The customer impact of the updated demand profile compared to rates effective June 2015 is an increase of \$0.1457 per dk as shown on Exhibit B. Please see Table 2 below for the annual rate impacts for the South District, as originally filed and reflecting the changes noted above.

Table 2  
South District Annual Demand Rate Impacts

Filing	Residential Customer (88.2 Dkt)	Total Change Res (%)	Firm General Service (340.9 Dkt)	Total Change FGS (%)
July 1, 2015	\$3.60	0.7	\$13.95	0.8
November 1, 2015	\$12.85	11.4	\$49.67	11.4



In addition, Great Plains recently filed an Application for Authority to Increase Natural Gas Rates in Minnesota, Docket No. G004/GR-15-879 and a Miscellaneous Tariff Change Base Cost of Gas - Final, Docket No. G004/M-15-871, in which the Company proposed to combine the two districts into one. As such, the reserve margin on a combined basis, for the 2015-2016 heating season is 4.0% as shown on Exhibit B.

Great Plains' analysis indicates that the portfolio in place for the 2015-2016 heating season will allow the company to adequately serve customers.

In support of updating Docket No. G004/M-15-645, Great Plains has updated the following exhibits to show the impact of the changes listed above:

- Exhibit A – Demand Profile
- Exhibit B – Design Day Capacity
- Exhibit C – Rate Impacts

If you have any questions regarding this filing, please contact me at (701) 222-7856, or Brian M. Meloy, at (612) 335-1451.

Sincerely,

*/s/ Tamie A. Aberle*

Tamie A. Aberle  
Director of Regulatory Affairs

cc: Brian M. Meloy

**GREAT PLAINS NATURAL GAS CO.**  
**DEMAND ENTITLEMENT FILING 2015 - 2016 HEATING SEASON**  
**DEMAND PROFILE EFFECTIVE NOVEMBER 1, 2015**  
**-UPDATE-**

<u>Type of Capacity or Entitlement</u>	<u>Current Amount</u>	<u>Proposed Change</u>	<u>Proposed Amount</u>	<u>Contract Length</u>	<u>Expiration Date</u>
<b><u>Demand Profile for South District (dk):</u></b>					
TF12 Base (Summer & Winter) 1/	4,604	0	4,604	5 years	10/31/19
TF12 Variable (Summer & Winter) 1/	2,931	0	2,931	5 years	10/31/19
TF5 (November - March)	3,410	0	3,410	5 years	10/31/19
TFX Negotiated (November - March)	1,000	0	1,000	10.5 years	3/31/25
TFX Seasonal (November - March)	5,200	0	5,200	5 years	10/31/19
TFX (Annual)	0	2,000	2,000	10 years	10/31/25
TFX Seasonal - Capacity Release	0	(1,300)	(1,300)	5 months	3/31/16
Subtotal	17,145	700	17,845		
FT-A - Zone 1-1 (April - October)	5,000	0	5,000	1 year	10/31/16
SMS	2,500	0	2,500	5 years	10/31/19
FDD-1 Reservation	4,640	0	4,640	5 years	5/31/16
Heating Season Total Capacity:	17,145	700	17,845		
Non-Heating Season Total Capacity:	12,535	0	12,535		
Forecasted Heating Season Design Day:	16,312	546	16,858		
Estimated Non-Heating Season Design Day:	8,727	309	9,036		
Heating Season Capacity: Surplus/(Shortage)	833	154	987		
Non-Heating Season Capacity: Surplus/(Shortage)	3,808	(309)	3,499		
<b><u>Demand Profile for North District (dk) 2/</u></b>					
FT-A	8,000	0	8,000	5 years	10/31/17
FT-A - Zone 1-1 (November - March)	5,000	0	5,000	1 year	10/31/16
TFX Seasonal (November - March)	2,000	0	2,000	5 years	3/31/16
BP Seasonal Contract	500	(500)	0	3 months	2/28/15
FT-A Seasonal (November - March)	0	700	700	5 months	3/31/16
Subtotal	15,500	200	15,700		
FT-A Seasonal (November - March) 3/	2,000	0	2,000	1 years	10/31/16
LMS Demand	2,500	0	2,500	1 year	10/31/16
TFX (Annual)	13,000	0	13,000	11.5 years	3/31/24
BP Seasonal Contract	0	730	730	5 months	3/31/16
Heating Season Total Capacity:	15,500	200	15,700		
Non-Heating Season Total Capacity:	8,000	0	8,000		
Forecasted Heating Season Design Day:	14,812	597	15,409		
Estimated Non-Heating Season Design Day:	8,404	337	8,741		
Heating Season Capacity: Surplus/(Shortage)	688	(397)	291		
Non-Heating Season Capacity: Surplus/(Shortage)	(404)	(337)	(741)		

1/ Effective November 1, 2015.

2/ Minnesota North District communities plus Wahpeton, ND.

3/ Northern Natural - Chisago.

**GREAT PLAINS NATURAL GAS CO.  
DEMAND PROFILE  
NORTH DISTRICT  
-UPDATE-**

2013-2014 Heating Season G004/M-13-566		2014-2015 Heating Season G004/M-14-563		2015-2016 Heating Season G004/M-15-645		Difference
	Quantity (dk)		Quantity (dk)		Quantity (dk)	
FT-A (12 months)	8,000	FT-A (12 months)	8,000	FT-A (12 months)	8,000	0
FT-A (November through March)	5,000	FT-A (November through March)	5,000	FT-A (November through March)	5,700	700
BP Seasonal (Firm Gas to TBS)	-	BP Seasonal (Firm Gas to TBS)	500	BP Seasonal (Firm Gas to TBS)	-	(500)
TFX (November through March)	2,000	TFX (November through March)	2,000	TFX (November through March)	2,000	0
TFX (12 months)	13,000	TFX (12 months)	13,000	TFX (12 months)	13,000	0
FT-A (November through March)	2,000	FT-A (November through March)	2,000	BP Seasonal (Firm Gas to Chisago) 1/	730	0
LMS Demand	2,500	LMS Demand	2,500	FT-A (November through March)	2,000	0
Heating Season Total Capacity	15,000	Heating Season Total Capacity	15,500	LMS Demand	2,500	0
Non-Heating Season Total Capacity	8,000	Non-Heating Season Total Capacity	8,000	Heating Season Total Capacity	15,700	200
Total Entitlement (Including Peak Shaving)	15,000	Total Entitlement	15,500	Non-Heating Season Total Capacity	8,000	0
Total Annual Transportation	8,000	Total Annual Transportation	8,000	Total Entitlement	15,700	200
Total Season Transportation	7,000	Total Season Transportation	7,000	Total Annual Transportation	8,000	0
Total Percent Seasonal	46.67%	Total Percent Seasonal	45.16%	Total Season Transportation	7,700	700
				Total Percent Seasonal	49.04%	0

1/ Does not impact demand profile.



**GREAT PLAINS NATURAL GAS CO.  
DEMAND PROFILE  
SOUTH DISTRICT  
-UPDATE-**

2013-2014 Heating Season G004/M-13-566		2014-2015 Heating Season G004/M-14-563		2015-2016 Heating Season G004/M-15-645		Difference
	Quantity (dk)		Quantity (dk)		Quantity (dk)	
TF-12 Base	4,758	TF-12 Base	5,100	TF-12 Base	4,604	(496)
TF-12 Variable	2,777	TF-12 Variable	2,435	TF-12 Variable	2,931	496
FT-A (April through October)	5,000	FT-A (April through October)	5,000	FT-A (April through October)	5,000	0
TF-5 (November through March)	3,410	TF-5 (November through March)	3,410	TF-5 (November through March)	3,410	0
TFX (November through March)	4,700	TFX (November through March)	6,200	TFX (November through March)	6,200	0
				TFX (Annual)	2,000	2,000
SMS	2,500	SMS	2,500	TFX - Capacity Release	(1,300)	(1,300)
FDD-1 Reservation	4,640	FDD-1 Reservation	4,640	SMS	2,500	0
				FDD-1 Reservation	4,640	0
Heating Season Total Capacity	15,645	Heating Season Total Capacity	17,145	Heating Season Total Capacity	17,845	700
Non-Heating Season Total Capacity	12,535	Non-Heating Season Total Capacity	12,535	Non-Heating Season Total Capacity	14,535	2,000
Total Entitlement (Including Peak Shaving)	15,645	Total Entitlement	17,145	Total Entitlement	17,845	700
Total Annual Transportation	7,535	Total Annual Transportation	7,535	Total Annual Transportation	9,535	2,000
Total Season Transportation	8,110	Total Season Transportation	9,610	Total Season Transportation	10,310	700
Percent TF-5	31.16%	Percent TF-5	31.16%	Percent TF-5	31.16%	0
Total Percent Seasonal	51.84%	Total Percent Seasonal	56.05%	Total Percent Seasonal	57.78%	0

**GREAT PLAINS NATURAL GAS CO.  
DEMAND ENTITLEMENT FILING 2015 - 2016 HEATING SEASON  
DESIGN DAY - NOVEMBER 2015  
-UPDATE-**

Area	Customer Factors 1/			Design HDD 2/	No. of Customers 3/	Projected Customers 4/	Peak/ Customer	Projected Peak Day (dk)	L&UA 5/	Projected Design	Capacity	Reserve
	Dk/day	Dk/DD	RSqr									
Crookston	0.03758	0.01365	0.96749	96	2,443	2,522	1.34798	3,400	24	3,424		
North 4	0.05383	0.01330	0.95654	91	7,045	7,146	1.26413	9,033	64	9,097		
Wahpeton	0.10387	0.01335	0.93378	91	2,164	2,175	1.31872	2,868	20	2,888		
Total North District					11,652	11,843		15,301	108	15,409	15,700	1.9%
South 13	0.05172	0.01613	0.97273	83	11,881	12,039	1.39051	16,740	118	16,858	17,845	5.9%
Total					23,533	23,882		32,041	226	32,267	33,545	4.0%

1/ Use per customer factors based on regression analysis for the 36 months ending March 2015.

2/ Design Heating Degree Days Base 60 degrees F.

3/ Reflects monthly average for December 2014 - February 2015.

4/ Customer growth is based on regression analysis for the 36 months ending March 2015 with composite growth rates of: Crookston = 0.72%, North = 1.16%, Wahpeton = 1.24%, South = 1.07%.

5/ Lost and Unaccounted for Gas percentage of 0.7%.

**GREAT PLAINS NATURAL GAS CO.  
RATE EFFECT OF PROPOSED DEMAND - NOVEMBER 1, 2015  
NORTH DISTRICT  
-UPDATE-**

	Last Rate Case 1/	Last Demand Change 2/	June 2015 PGA	November 2015 PGA	% Change from			Change from June 2015 PGA
					Last Rate Case	Last Demand Change	June 2015 PGA	
<b>Residential</b>								
Commodity Cost of Gas	\$5.5520	\$3.6376	\$2.8196	\$2.4418	-56.0%	-32.9%	-13.4%	(\$0.3778)
Demand Cost of Gas	2.0613	1.6133	1.5982	1.6118	-21.8%	-0.1%	0.9%	0.0136
Commodity Margin 3/	1.7671	1.7729	1.7729	1.7207	-2.6%	-2.9%	-2.9%	(0.0522)
Total Rate	9.3804	7.0238	6.1907	5.7743	-38.4%	-17.8%	-6.7%	(0.0386)
Average Annual Usage (dk)	103.8	103.8	103.8	103.8				
Average Annual Cost of Gas	\$973.69	\$729.07	\$642.59	\$599.37	-38.4%	-17.8%	-6.7%	(\$43.22)
<b>Firm General Service</b>								
Commodity Cost of Gas	\$5.5520	\$3.6376	\$2.8196	\$2.4418	-56.0%	-32.9%	-13.4%	(\$0.3778)
Demand Cost of Gas	2.0613	1.6133	1.5982	1.6118	-21.8%	-0.1%	0.9%	0.0136
Commodity Margin	1.4471	1.4593	1.4593	1.4071	-2.8%	-3.6%	-3.6%	(0.0522)
Total Rate	9.0604	6.7102	5.8771	5.4607	-39.7%	-18.6%	-7.1%	(0.0386)
Average Annual Usage (dk)	375.7	375.7	375.7	375.7				
Average Annual Cost of Gas	\$3,403.99	\$2,521.02	\$2,208.03	\$2,051.58	-39.7%	-18.6%	-7.1%	(\$156.45)
<b>Customer Class</b>								
	Commodity Change		Demand Change		Total Change		Average Annual	
	(\$/dk)	(Percent)	(\$/dk)	(Percent)	(\$/dk)	(Percent)	Bill Change	
Residential	(\$0.3778)	-13.4%	\$0.0136	0.9%	(\$0.0386)	-6.7%	(\$43.22)	
Firm General Service	(0.3778)	-13.4%	0.0136	0.9%	(0.0386)	-7.1%	(\$156.45)	

1/ Base Cost of Gas Effective January 2007 in Docket No. G004/MR-06-1141.

2/ Demand in Docket No. G004/M-15-22, effective January 1, 2015.

3/ Includes CCRA and GAP. CCRA change of (\$0.0522) effective October 1, 2015.



**GREAT PLAINS NATURAL GAS CO.  
RATE EFFECT OF PROPOSED DEMAND - NOVEMBER 1, 2015  
SOUTH DISTRICT  
-UPDATE-**

	Last Rate Case 1/	Last Demand Change 2/	June 2015 PGA	November 2015 PGA	% Change from			Change from June 2015 PGA
					Last Rate Case	Last Demand Change	June 2015 PGA	
<b>Residential</b>								
Commodity Cost of Gas	\$5.8954	\$3.7415	\$2.8442	\$2.4313	-58.8%	-35.0%	-14.5%	(\$0.4129)
Demand Cost of Gas	1.8689	1.3141	1.2808	1.4265	-23.7%	8.6%	11.4%	0.1457
Commodity Margin 3/	1.4279	1.3889	1.3889	1.3367	-6.4%	-3.8%	-3.8%	(0.0522)
Total Rate	9.1922	6.4445	5.5139	5.1945	-43.5%	-19.4%	-5.8%	(0.3194)
Average Annual Usage (dk)	88.2	88.2	88.2	88.2				
Average Annual Cost of Gas	\$810.75	\$568.40	\$486.33	\$458.15	-43.5%	-19.4%	-5.8%	(\$28.18)
<b>Firm General Service</b>								
Commodity Cost of Gas	\$5.8954	\$3.7415	\$2.8442	\$2.4313	-58.8%	-35.0%	-14.5%	(\$0.4129)
Demand Cost of Gas	1.8689	1.3141	1.2808	1.4265	-23.7%	8.6%	11.4%	0.1457
Commodity Margin	1.1775	1.1411	1.1411	1.0889	-7.5%	-4.6%	-4.6%	(0.0522)
Total Rate	8.9418	6.1967	5.2661	4.9467	-44.7%	-20.2%	-6.1%	(0.3194)
Average Annual Usage (dk)	340.9	340.9	340.9	340.9				
Average Annual Cost of Gas	\$3,048.26	\$2,112.46	\$1,795.21	\$1,686.33	-44.7%	-20.2%	-6.1%	(\$108.88)
<b>Customer Class</b>								
	Commodity Change		Demand Change		Total Change		Average Annual Bill Change	
	(\$/dk)	(Percent)	(\$/dk)	(Percent)	(\$/dk)	(Percent)		
Residential	(\$0.4129)	-14.5%	\$0.1457	11.4%	(\$0.3194)	-5.8%	(\$28.18)	
Firm General Service	(0.4129)	-14.5%	0.1457	11.4%	(0.3194)	-6.1%	(\$108.88)	

1/ Base Cost of Gas Effective January 2007 in Docket No. G004/MR-06-1141.  
2/ Demand in Docket No. G004/M-15-23, effective January 1, 2015.  
3/ Includes CCRA and GAP. CCRA change of (\$.0522) effective October 1, 2015.