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September 13, 2013

Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101

RE: Docket No. G004/D-13-448
Reply Comments to the Comments of the Minnesota Department of Commerce,
Division of Energy Resources

Dear Dr. Haar:

Great Plains Natural Gas Co. (Great Plains), a Division of MDU Resources Group, Inc., herewith electronically files its reply comments to the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) filed on August 30, 2013.

Great Plains' reply comments address the Department's request that Great Plains address the change in the average service lives for Account Nos. 367.00 and 367.60-.61 (Transmission Mains and Farm and Side Taps), and Account Nos. 390.00-.01 (General Structures and Improvements) from the Depreciation Study in Docket No. G004/D-12-565.

If you have any questions regarding this filing, please contact me at (701) 222-7854, or Brian Meloy, at (612) 335-1451.

Sincerely,

/s/ Rita A. Mulkern

Rita A. Mulkern
Director of Regulatory Affairs

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

Beverly Jones Heydinger	Chair
Phyllis A. Reha	Vice Chair
Dr. David C. Boyd	Commissioner
J. Dennis O'Brien	Commissioner
Betsy L. Wergin	Commissioner

In the Matter of the Great Plains 2013)	
Natural Gas Depreciation Study)	Docket No. G004/ D-13-448
)	
)	Reply Comments of Great Plains
)	Natural Gas Co.
)	

On May 31, 2013, Great Plains submitted its depreciation study reflecting 2012 plant in service and depreciation reserve balances, an update of the five year study filed in Docket No. G004/D-12-565. On August 30, 2013, the Department of Commerce, Division of Energy Resources (Department) filed its comments on Great Plains' filing. In its comments, the Department requests that in its Reply Comments Great Plains address the change in the average service lives for Account Nos. 367.00 and 367.60-.61 (Transmission Mains and Farm and Side Taps), and Account Nos. 390.00-.01(General Structures and Improvements) from the Depreciation Study in Docket No. G004/D-12-565.

I.

DISCUSSION

- A. Remaining Service Life – Transmission Mains Account No. 367.00, Farm & Side Taps Account No. 367.60-.61**

The Department notes on page 3, in Table 1 that the proposed average remaining service life changed from the 2012 Deprecation Study (Docket No. G004/D-12-565) of 12.70 years for Account No. 367 to 15.84 years in the proposed 2013 Depreciation Study (Docket No. G004/D-13-448), even though the Iowa 50-R3 curve remained the same. Likewise it noted that the average remaining service life for Account Nos. 367.60-.61 changed from 7.51 years to 8.91 years. The Department requested that Great Plains explain the reasons for the significant change in the average remaining service life.

In reviewing the results for Account 367.00, it was discovered that while the Iowa 50-R3 curve was the correct curve, a 50-R2 curve was inadvertently retained in the software system. The average service life with the corrected information is 12.14 years. Please see Attachment A for a revised schedule 6-2 from the Depreciation Study.

The 8.91 year average remaining life for Account 367.60-.61 Farm and Side Taps is correct as shown. Within the property group there is an investment in the amount of \$6,982.13 for vintage year 1966 which exceeds the maximum life of the Iowa 30-R4 life and curve used for the property group. Accordingly, that amount drops out of the calculation of average remaining life with the result that the average remaining life increases modestly. Given that the investment still exists on the Company's books and records, under the group method, annual depreciation expense will continue to be calculated on the amount. It is therefore appropriate that the longer average remaining life produces a somewhat lower annual depreciation rate to be applied to the plant balance.

B. Remaining Service Life – General Structures and Improvements Account No. 390.00-.01

The Department notes on page 3, in Table 1 that the proposed average remaining service life changed from the 2012 Depreciation Study (Docket No. G004/D-12-565 of 36.60 years for Account No. 390.00-.01 to 17.06 years in the proposed 2013 Depreciation Study (Docket No. G004/D-13-448). The Department requested that Great Plains explain the reasons for the significant change in the average remaining service life.

Prior to the 2012 Depreciation Study, the average remaining life and resulting annual depreciation rate for the property group was based upon the use of the life span method along with an interim retirement curve inasmuch as there were a variety of local office location investments that were subject to early retirement. When completing the 2012 Depreciation Study, after the retirement of the smaller location properties, the property group's life was calculated using an overall full mortality average life. The estimated survivor curve for the property group within the 2012 Depreciation Study was an Iowa 40-R3 life and curve. In the calculation of the average remaining life for the 2013 Depreciation Study the earlier depreciation parameters (prior to the comprehensive study) were inadvertently retained in the depreciation software system. The average service life was recalculated for Account 390.00-.01 using the correct Iowa 40-R3 life and curve with the result a 36.75 year remaining life. Please see Attachment B for a revised schedule 6-2 from the Depreciation Study.

The corrections noted above resulted in slight changes to the proposed depreciation rates. A revised Table 1 is provided as Attachment C and the changes are summarized below:

<u>Account No.</u>	<u>Description</u>	<u>As Filed</u>	<u>Revised</u>
367.00	Transmission Mains	0.12%	0.15%
390.00-.01	General Structures & Improvements	4.03%	1.87%
	Total Depreciable Plant	4.12%	4.00%
	Annual Accrual	\$1,424,230.76	\$1,383,664.94

A revised Table 2 is also provided as Attachment D.

II.

SUMMARY AND RECOMMENDATIONS

Great Plains respectfully requests that the 2013 Depreciation Study, with the revised depreciation rates as set forth above in its reply comments be approved and find that Great Plains has fully addressed the Department's comments.

Dated: September 13, 2013

Respectfully Submitted,

/s/ Rita A. Mulkern

Rita A. Mulkern
 Director of Regulatory Affairs
 Great Plains Natural Gas Co.
 a Division of MDU Resources Group, Inc.
 400 N. 4th Street
 Bismarck, ND 58501

Great Plains Natural Gas Company

All Divisions

367.00 TRANSMISSION MAINS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2012

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 50

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1966	1,025,856.91	50.00	20,517.13	11.85	243,140.54
1970	8,044.40	50.00	160.89	14.14	2,274.92
1971	18,005.73	50.00	360.11	14.76	5,313.70
1972	4,225.53	50.00	84.51	15.39	1,300.43
1976	1,723.25	50.00	34.46	18.07	622.72
1977	2,117.92	50.00	42.36	18.77	795.22
1997	17.37	50.00	0.35	35.19	12.23
2003	6,983.84	50.00	139.68	40.78	5,696.58
Total	1,066,974.95	50.00	21,339.49	12.14	259,156.34

Composite Average Remaining Life ... 12.1 Years

Great Plains Natural Gas Company

All Divisions

390.00, 390.01

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2012

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 45

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1966	100.00	45.00	2.22	8.40	18.67
1967	63,684.77	45.00	1,415.22	8.85	12,524.86
1971	1,043.27	45.00	23.18	10.86	251.66
1972	3,961.15	45.00	88.03	11.41	1,004.20
1973	5,277.90	45.00	117.29	11.98	1,405.20
1974	15,038.59	45.00	334.19	12.57	4,201.82
1975	1,406.22	45.00	31.25	13.19	412.10
1978	450.00	45.00	10.00	15.13	151.29
1980	394.59	45.00	8.77	16.51	144.75
1982	3,395.31	45.00	75.45	17.94	1,353.83
1983	1,470.36	45.00	32.67	18.68	610.41
1985	72,495.55	45.00	1,611.01	20.20	32,543.63
1989	71,935.28	45.00	1,598.56	23.38	37,378.92
1990	97,496.83	45.00	2,166.59	24.21	52,446.35
1991	5,549.42	45.00	123.32	25.04	3,088.14
1993	3,055.00	45.00	67.89	26.74	1,815.65
1995	2,965.78	45.00	65.91	28.49	1,877.44
1996	8,137.66	45.00	180.84	29.37	5,311.50
2000	21,400.26	45.00	475.56	33.00	15,694.51
2001	17,578.74	45.00	390.64	33.93	13,254.05
2002	7,845.00	45.00	174.33	34.86	6,078.05
2003	1,099.87	45.00	24.44	35.81	875.15
2006	238,669.94	45.00	5,303.77	38.67	205,072.76
2008	954,062.70	45.00	21,201.38	40.60	860,718.14
2010	76,867.95	45.00	1,708.18	42.55	72,675.23
2012	217,484.13	45.00	4,832.98	44.51	215,105.17

Great Plains Natural Gas Company

All Divisions

390.00, 390.01

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2012

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 45

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Total	1,892,866.27	45.00	42,063.67	36.75	1,546,013.48

Composite Average Remaining Life ... 36.7 Years

Great Plains Natural Gas Company

Table 1
Revised 9-3-13

Summary of Original Cost of Utility Plant in Service as of December 31, 2012
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No.	Description	Original Cost 12/31/12	Present Rates		Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		Net Change Depr. Exp.
			Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	Rate %	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(f)	(g)	(f)	(g)	(f)	(g)	(h)
DEPRECIABLE PLANT													
Production Plant													
305.00	Structures & Improvements	0.00	1.39%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
311.00	LPG Equipment	0.00	1.30%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
320.00	Other Gas Production	0.00	0.06%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
	Total Production Plant	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
Transmission Plant													
365.20	Rights of Way	158,152.03	1.36%	2,150.87	1.32%	2,087.61	0.00%	0.00	0.00%	0.00	1.32%	2,087.61	(63.26)
TRANSMISSION MAINS													
367.00	Transmission Mains	1,066,974.95	0.08%	853.58	0.82%	8,749.19	-0.08%	(853.58)	-0.59%	(6,295.15)	0.15%	1,600.46	746.88
367.40-42	Railroad, River & Highway Crossings	128,309.21	1.80%	2,309.57	1.82%	2,335.23	-0.03%	(38.49)	0.06%	76.99	1.85%	2,373.72	64.15
367.45	Anodes and Cathodic Protection	1,325.87	0.73%	9.68	1.52%	20.15	-0.12%	(1.59)	-0.81%	(10.74)	0.59%	7.82	(1.86)
367.50	Valves	3,185.68	-5.06%	(161.20)	-3.92%	(124.88)	-0.18%	(5.73)	-1.35%	(43.01)	-5.45%	(173.62)	(12.42)
367.60-61	Farm & Side Taps	29,814.38	-1.33%	(396.53)	-0.04%	(11.93)	-0.12%	(35.78)	-1.14%	(339.88)	-1.30%	(387.59)	8.94
	Total Transmission Mains	1,229,610.09	0.21%	2,615.10	0.89%	10,967.76	-0.08%	(935.17)	-0.54%	(6,611.79)	0.28%	3,420.79	805.69
369.00	Meas & Reg Station Equipment	681,059.73	2.78%	18,933.46	2.81%	19,137.78	0.00%	0.00	0.27%	1,838.86	3.08%	20,976.64	2,043.18
	Total Transmission Plant	2,068,821.85	1.15%	23,699.43	1.56%	32,193.15	-0.05%	(935.17)	-0.23%	(4,772.93)	1.28%	26,485.04	2,785.61
Distribution Plant													
374.20	Rights of Way	17,653.59	2.24%	395.44	2.20%	388.38	0.00%	0.00	0.00%	0.00	2.20%	388.38	(7.06)
375.00	Distr. Meas & Reg Station Structures	32,251.03	2.10%	677.27	2.70%	870.78	0.00%	0.00	0.15%	48.38	2.85%	919.15	241.88
Mains													
376.00	Steel Mains	3,798,178.90	3.07%	116,604.09	1.71%	64,948.86	0.00%	0.00	1.15%	43,679.06	2.86%	108,627.92	(7,976.17)
376.10	Plastic Mains	6,767,497.68	5.43%	367,475.12	1.91%	129,259.21	0.00%	0.00	1.18%	79,856.47	3.09%	209,115.68	(158,359.44)
376.11	Plastic Mains - PVC	1,360,797.66	5.05%	68,720.28	1.49%	20,275.89	0.00%	0.00	2.64%	35,925.06	4.13%	56,200.94	(12,519.34)
376.20	Valves	298,962.25	3.42%	10,224.51	2.16%	6,457.58	0.00%	0.00	1.33%	3,976.20	3.49%	10,433.78	209.27
376.28-50	Railroad, River & Highway Crossings	377,544.45	4.17%	15,743.60	2.40%	9,061.07	0.00%	0.00	1.64%	6,191.73	4.04%	15,252.80	(490.80)
376.55	Anodes and Cathodic Protection	81,169.34	7.43%	6,030.88	3.56%	2,889.63	0.00%	0.00	3.40%	2,759.76	6.96%	5,649.39	(381.49)
376.56	Pipeline Markers	171.75	9.09%	15.61	-2.53%	(4.35)	0.00%	0.00	7.16%	12.30	4.63%	7.95	(7.66)
	Total Mains	12,684,322.03	4.61%	584,814.09	1.84%	232,887.89	0.00%	0.00	1.36%	172,400.58	3.20%	405,288.46	(179,525.63)
378.00	Meas & Reg Station Equip-General	359,164.94	2.06%	7,398.80	2.08%	7,470.63	0.00%	0.00	0.62%	2,226.82	2.70%	9,697.45	2,298.65
379.00	Meas & Reg Station Equip-City Gate	239,064.63	1.57%	3,753.31	1.40%	3,346.90	0.00%	0.00	0.08%	191.25	1.48%	3,538.16	(215.15)
Services													
380.00	Steel Services	797,441.73	4.17%	33,253.32	2.58%	20,574.00	0.00%	0.00	2.03%	16,188.07	4.61%	36,762.06	3,508.74
380.10	Plastic Services	7,665,575.59	6.15%	471,432.90	2.39%	183,207.26	0.00%	0.00	1.84%	141,046.59	4.23%	324,253.85	(147,179.05)
380.11	Plastic Services - PVC	1,082,679.98	8.29%	89,754.17	-0.31%	(3,356.31)	0.00%	0.00	0.19%	2,057.09	-0.12%	(1,299.22)	(91,053.39)
380.55	Anodes and Cathodic Protection	39,103.01	8.16%	3,190.81	1.97%	770.33	0.00%	0.00	2.54%	993.22	4.51%	1,763.55	(1,427.26)
	Total Services	9,584,800.31	6.24%	597,631.20	2.10%	201,195.28	0.00%	0.00	1.67%	160,284.97	3.77%	361,480.24	(236,150.96)
381.00	Meters & Meter Installations	4,385,857.70	2.52%	110,523.61	5.99%	262,712.88	0.04%	1,754.34	1.46%	64,033.52	7.49%	328,500.74	217,977.13

Great Plains Natural Gas Company

Table 1
Revised 9-3-13

Summary of Original Cost of Utility Plant in Service as of December 31, 2012
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/12 (c)	Present Rates		Proposed Rates								Net Change Depr. Exp (m)
			Rate % (d)	Annual Accrual (e)	Proposed Plant Only Rates		Proposed Gross Salv Rates		Proposed COR Rates		Total Proposed Rates		
					Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	Rate % (l)	Annual Accrual (m)	
383.00	House Regulators	783,267.69	2.00%	15,665.35	5.38%	42,139.80	0.00%	0.00	0.00%	0.00	5.38%	42,139.80	26,474.45
385.00	Industrial Meas. & Reg. Station Equipment	5,088.13	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
387.10	Cathodic Protection Equipment	5,307.90	4.79%	254.25	4.68%	248.41	0.00%	0.00	0.00%	0.00	4.68%	248.41	(5.84)
387.20	Other Equipment	13,557.81	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
	TOTAL Distribution Plant	28,110,335.76	4.70%	1,321,113.32	2.67%	751,260.95	0.01%	1,754.34	1.42%	399,185.52	4.10%	1,152,200.79	(168,912.53)
	General Plant												
	GENERAL STRUCTURES												
390.00-01	General Structures & Improvements	1,892,866.27	4.22%	79,878.96	1.87%	35,396.60	0.00%	0.00	0.00%	0.00	1.87%	35,396.60	(44,482.36)
390.02	Leasehold Improvements	62.04	5.39%	3.34	-38.63%	(23.97)	0.00%	0.00	0.00%	0.00	-38.63%	(23.97)	(27.31)
	Total General Structures	1,892,928.31	4.22%	79,882.30	1.87%	35,372.63	0.00%	0.00	0.00%	0.00	1.87%	35,372.63	(44,509.67)
392.10	Trailers	39,760.09	6.79%	2,699.71	6.59%	2,620.19	0.00%	0.00	0.00%	0.00	6.59%	2,620.19	(79.52)
392.20	Transportation Equipment	1,026,112.63	6.13%	62,900.70	14.04%	144,066.21	-5.39%	(55,307.47)	0.00%	0.00	8.65%	88,758.74	25,858.04
396.00	Power Operated Equipment	709,910.90	6.28%	44,582.40	8.61%	61,123.33	-4.27%	(30,313.20)	0.00%	0.00	4.34%	30,810.13	(13,772.27)
	Sub-Total Depr General Plant	3,668,711.93	5.18%	190,065.11	6.63%	243,182.36	-2.33%	(85,620.67)	0.00%	0.00	4.29%	157,561.69	(32,503.42)
	Sub-Total -- Depreciable Plant	33,847,869.54	4.53%	1,534,877.86	3.03%	1,026,636.46	-0.25%	(84,801.50)	1.17%	394,412.59	3.95%	1,336,247.52	(198,630.34)
	OFFICE FURNITURE & EQUIPMENT												
391.10	Office Furniture & Equipment	101,161.93	7.94%	8,032.25	6.73%	6,811.77	0.00%	0.00	0.00%	0.00	6.73%	6,811.77	(1,220.48)
391.30	Computer & Electronic Equipment	21,150.86	25.00%	5,287.72	25.00%	5,287.72	0.00%	0.00	0.00%	0.00	25.00%	5,287.72	0.00
391.50	Other Computer Equipment	19,147.10	11.51%	2,203.32	20.00%	3,829.42	0.00%	0.00	0.00%	0.00	20.00%	3,829.42	1,626.10
	Total Office Furniture & Equipment	141,459.89	10.97%	15,523.29	11.26%	15,928.91	0.00%	0.00	0.00%	0.00	11.26%	15,928.91	405.62
394.00	Tools, Shop & Garage Equipment	327,582.60	4.18%	13,691.65	5.00%	16,393.67	0.00%	0.00	0.00%	0.00	5.00%	16,393.67	2,702.02
397.00	Communication Equipment	238,119.85	4.09%	9,739.10	5.48%	13,041.30	0.00%	0.00	0.00%	0.00	5.48%	13,041.30	3,302.20
398.00	Miscellaneous Equipment	51,338.57	4.00%	2,053.54	4.00%	2,053.54	0.00%	0.00	0.00%	0.00	4.00%	2,053.54	0.00
	TOTAL General Plant	4,427,212.84	5.22%	231,072.69	6.56%	290,599.78	-1.93%	(85,620.67)	0.00%	0.00	4.63%	204,979.11	(26,093.58)
	Sub-Total -- Amortizable Plant	758,500.91	5.41%	41,007.58	6.25%	47,417.42	0.00%	0.00	0.00%	0.00	6.25%	47,417.42	6,409.84
	TOTAL Depreciable Plant	34,606,370.45	4.55%	1,575,885.44	3.10%	1,074,053.88	-0.25%	(84,801.50)	1.14%	394,412.59	4.00%	1,383,664.94	(192,220.50)
	NON-DEPRECIABLE PLANT												
304.00	Land & Land Rights-Production	0.00											
365.10	Land & Land Rights-Transmission	5,584.70											
374.10	Land & Land Rights-Distribution	2,978.43											
389.00	Land & Land Rights-General	48,658.66											
	Total Land	57,221.79											
	INTANGIBLE PLANT												
301.00	Organization	5,006.20											
302.00	Franchises & Consents	73,680.11											
303.00	Miscellaneous Intangible Plant	764,166.65	10.98%	83,893.25							10.98%	83,893.25	0.00
	Total Intangible Plant	842,852.96											
	TOTAL Non-Depreciable Plant	900,074.75											
	TOTAL Plant in Service	35,506,445.20											

Great Plains Natural Gas Company

Table 2 - Plant Only
Revised 9-3-13

Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2012

Account No.	Description	Original Cost 12/31/12	Estimated Future Net Salvage % Amount	Original Cost Less Salvage	Book Depreciation Reserve	Original Cost Less Book Depr Reserve	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate	
(a)	(b)	(c)	(d) (e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
DEPRECIABLE PLANT											
Production Plant											
305.00	Structures & Improvements	0.00	0%	0.00	0.00	-27,056.90	27,056.90 (1)	90-R3	0.00	0.00	0.00%
311.00	LPG Equipment	0.00	0%	0.00	0.00	-40,876.86	40,876.86 (1)	70-L0.5	0.00	0.00	0.00%
320.00	Other Gas Production	0.00	0%	0.00	0.00	-8.77	8.77 (1)	39-L5	0.00	0.00	0.00%
	Total Production Plant	0.00		0.00	0.00	-67,942.53	67,942.53		#DIV/0!	0.00	0.00%
Transmission Plant											
365.20	Rights of Way	158,152.03	0%	0.00	158,152.03	113,914.70	44,237.33	50-R2.5	21.26	2,080.78	1.32%
TRANSMISSION MAINS											
367.00	Transmission Mains	1,066,974.95	0%	0.00	1,066,974.95	960,527.33	106,447.62	50-R3	12.14	8,768.34	0.82%
367.40-.42	Railroad, River & Highway Crossings	128,309.21	0%	0.00	128,309.21	79,657.19	48,652.02	40-R2	20.81	2,337.92	1.82%
367.45	Anodes and Cathodic Protection	1,325.87	0%	0.00	1,325.87	1,165.57	160.30	25-R3	7.97	20.11	1.52%
367.50	Valves	3,185.68	0%	0.00	3,185.68	3,872.02	-686.34	40-R3	5.50	-124.79	-3.92%
367.60-.61	Farm & Side Taps	29,814.38	0%	0.00	29,814.38	29,917.95	-103.57	30-R4	8.91	-11.62	-0.04%
	Total Transmission Mains	1,229,610.09		0.00	1,229,610.09	1,075,140.06	154,470.03		14.06	10,989.96	0.89%
369.00	Meas & Reg Station Equipment	681,059.73	0%	0.00	681,059.73	122,836.03	558,223.70	35-R1	29.22	19,104.16	2.81%
	Total Transmission Plant	2,068,821.85		0.00	2,068,821.85	1,311,890.79	756,931.06		23.53	32,174.90	1.56%
Distribution Plant											
374.20	Rights of Way	17,653.59	0%	0.00	17,653.59	6,881.23	10,772.36	50-R2.5	27.70	388.89	2.20%
375.00	Distr. Meas & Reg Station Structures	32,251.03	0%	0.00	32,251.03	21,468.79	10,782.24	85-S1.5	12.37	871.64	2.70%
Mains											
376.00	Steel Mains	3,798,178.90	0%	0.00	3,798,178.90	1,823,056.33	1,975,122.57	54-R3	30.40	64,971.14	1.71%
376.10	Plastic Mains	6,767,497.68	0%	0.00	6,767,497.68	2,260,463.80	4,507,033.88	45-R4	34.87	129,252.48	1.91%
376.11	Plastic Mains - PVC	1,360,797.66	0%	0.00	1,360,797.66	1,228,941.52	131,856.14	(2)	6.50	20,285.56	1.49%
376.20	Valves	298,962.25	0%	0.00	298,962.25	98,302.21	200,660.04	47-R3	31.03	6,466.65	2.16%
376.28-.50	Railroad, River & Highway Crossings	377,544.45	0%	0.00	377,544.45	190,439.53	187,104.92	40-R1	20.62	9,073.95	2.40%
376.55	Anodes and Cathodic Protection	81,169.34	0%	0.00	81,169.34	61,322.30	19,847.04	25-R3	6.86	2,893.15	3.56%
376.56	Pipeline Markers	171.75	0%	0.00	171.75	178.66	-6.91	20-R3	1.59	-4.35	-2.53%
	Total Mains	12,684,322.03		0.00	12,684,322.03	5,662,704.35	7,021,617.68		30.14	232,938.58	1.84%

Great Plains Natural Gas Company

Table 2 - Plant Only
Revised 9-3-13

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Account No.	Description	Original Cost 12/31/12	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Original Cost Less Book Depr Reserve	A.S.L./Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
378.00	Meas & Reg Station Equip-General	359,164.94	0%	0.00	359,164.94	286,676.63	72,488.31	40-R4	9.72	7,459.26	2.08%
379.00	Meas & Reg Station Equip-City Gate	239,064.63	0%	0.00	239,064.63	199,930.09	39,134.54	30-R4	11.66	3,356.31	1.40%
Services											
380.00	Steel Services	797,441.73	0%	0.00	797,441.73	468,791.23	328,650.50	38-R2	16.00	20,540.66	2.58%
380.10	Plastic Services	7,665,575.59	0%	0.00	7,665,575.59	3,217,349.24	4,448,226.35	37-R5	24.28	183,205.37	2.39%
380.11	Plastic Services - PVC	1,082,679.98	0%	0.00	1,082,679.98	1,104,666.40	-21,986.42	(2)	6.50	-3,382.53	-0.31%
380.55	Anodes and Cathodic Protection	39,103.01	0%	0.00	39,103.01	37,227.52	1,875.49	25-R3	2.43	771.81	1.97%
Total Services		9,584,800.31		0.00	9,584,800.31	4,828,034.38	4,756,765.93		23.65	201,135.31	2.10%
381.00	Meters & Meter Installations	4,385,857.70	0%	0.00	4,385,857.70	2,206,396.00	2,179,461.70	(4)	8.30	262,744.03	5.99%
383.00	House Regulators	783,267.69	0%	0.00	783,267.69	433,714.22	349,553.47	(4)	8.30	42,140.26	5.38%
385.00	Industrial Meas. & Reg. Station Equipmen	5,088.13	0%	0.00	5,088.13	5,531.29	-443.16	40-S4	13.36	-33.17	0.00% (2)
387.10	Cathodic Protection Equipment	5,307.90	0%	0.00	5,307.90	1,965.52	3,342.38	25-R3	13.45	248.50	4.68%
387.20	Other Equipment	13,557.81	0%	0.00	13,557.81	13,830.02	-272.21	30-R3	7.31	-37.24	0.00% (2)
TOTAL Distribution Plant		28,110,335.76	0%	0.00	28,110,335.76	13,667,132.52	14,443,203.24		19.23	751,212.38	2.67%
General Plant											
GENERAL STRUCTURES											
390.00-.01	General Structures & Improvements	1,892,866.27	0%	0.00	1,892,866.27	589,872.56	1,302,993.71 (1)	45-R3	36.75	35,455.61	1.87%
390.02	Leasehold Improvements	62.04	0%	0.00	62.04	74.98	-12.94	10-R4	0.54	-23.97	-38.63%
Total General Structures		1,892,928.31		0.00	1,892,928.31	589,947.54	1,302,980.77		36.77	35,431.64	1.87%
392.10	Trailers	39,760.09		0.00	39,760.09	24,685.07	15,075.02	12-R1	5.8	2,621.74	6.59%
392.20	Transportation Equipment	1,026,112.63		0.00	1,026,112.63	491,749.11	534,363.52	7-L2	3.71	144,033.29	14.04%
396.00	Power Operated Equipment	709,910.90		0.00	709,910.90	351,547.75	358,363.15	8-L0	5.86	61,154.12	8.61%
Sub-Total Depr General Plant		3,668,711.93		0.00	3,668,711.93	1,457,929.47	2,210,782.46			243,240.80	6.63%
Sub-Total -- Depreciable Plant		33,847,869.54		0.00	33,847,869.54	16,369,010.25	17,478,859.29		17.03	1,026,628.08	3.03%
OFFICE FURNITURE & EQUIPMENT											
391.10	Office Furniture & Equipment	101,161.93		0.00	101,161.93	50,400.50	50,761.43	0	N/A	6,811.77	6.73% *
391.30	Computer & Electronic Equipment	21,150.86		0.00	21,150.86	11,128.90	10,021.96	0	N/A	5,287.72	25.00% *
391.50	Other Computer Equipment	19,147.10		0.00	19,147.10	14,260.33	4,886.77	0	0.0	3,829.42	20.00% *
Total Office Furniture & Equipment		141,459.89		0.00	141,459.89	75,789.73	65,670.16		4.12	15,928.91	11.26%

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Account No.	Description	Original Cost	Estimated Future Net Salvage		Original Cost Less Salvage	Book Depreciation Reserve	Original Cost Less Book Depr Reserve	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Deprecation Rate
		12/31/12	%	Amount							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
394.00	Tools, Shop & Garage Equipment	327,582.60	0%	0.00	327,582.60	113,171.67	214,410.93	0	N/A	16,393.67	5.00% *
397.00	Communication Equipment	238,119.85	0%	0.00	238,119.85	110,797.32	127,322.53	0	N/A	13,041.30	5.48% *
398.00	Miscellaneous Equipment	51,338.57	0%	0.00	51,338.57	8,073.17	43,265.40	0	N/A	2,053.54	4.00% *
	TOTAL General Plant	4,427,212.84	0%	0.00	4,427,212.84	1,765,761.36	2,661,451.48		9.16	290,658.22	6.57%
	Sub-Total -- Amortizable Plant	758,500.91		0.00	758,500.91	307,831.89	450,669.02		9.50	47,417.42	6.25%
	TOTAL Depreciable Plant	34,606,370.45		0.00	34,606,370.45	16,676,842.14	17,929,528.31		16.69	1,074,045.50	3.10%
<u>NON-DEPRECIABLE PLANT</u>											
304.00	Land & Land Rights-Production	0.00									
365.10	Land & Land Rights-Transmission	5,584.70									
374.10	Land & Land Rights-Distribution	2,978.43									
389.00	Land & Land Rights-General	48,658.66									
	Total Land	57,221.79									
INTANGIBLE PLANT											
301.00	Organization	5,006.20									
302.00	Franchises & Consents	73,680.11									
303.00	Miscellaneous Intangible Plant	764,166.65									
	Total Intangible Plant	842,852.96									
	TOTAL Non-Depreciable Plant	900,074.75									
	TOTAL Plant in Service	35,506,445.20									

(1) Interim Retirement Rate. Service Lives Vary.

(2) Account Fully Depreciated

* Proposed Amortization Rates.