

August 29, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

**RE: Response Comments of the Minnesota Department of Commerce, Division of Energy Resources in the Matter of Great Plains Natural Gas Co.'s, A Division of MDU Resources Group, Inc. (Great Plains or the Company), Request for Approval of its Proposed 2013 Conservation Improvement Program Tracker Account, Including a Proposed Conservation Cost Recovery Adjustment (CCRA) and a Proposed Demand Side Management (DSM) Financial Incentive for 2013 (*Petition*).**  
Docket No. G004/M-14-358

Dear Dr. Haar:

On April 30, 2014, Great Plains submitted Reply Comments to the Department's July 14, 2014 Comments on Great Plains' Conservation Improvement Program (CIP) Tracker Report. The Company agreed with the majority of the Department's recommendations, with the exception of the recommendations to discontinue the application of carrying charges on the CIP tracker account. The Department provides its response below.

The Department continues to support the elimination of carrying charges from the CIP tracker account. As explained in the Department's Comments, setting a CCRA at the level that will zero out the CIP tracker balance at any given time (e.g., December 31, 2015), will not result in minimized total carrying costs because the CIP tracker balance varies considerably from month to month. Thus the Department recommends that the Commission discontinue the application of carrying charges beginning in the month after the Commission issues its Order in this docket.

Because the level of carrying costs are a function of the monthly variation in the tracker balance, the Department provided an alternate Commission recommendation; that is, to disallow application of the carrying charge to the Company's financial incentive. The Department continues to support this as an alternate recommendation.

Should carrying charges be eliminated from all or a portion of Great Plains' CIP tracker, the Department recommends that the Commission require the Company to submit revised CCRA calculations reflecting the Commission's decisions in this matter.

The Department's final recommendations are that the Commission:

- 1) approve Great Plains' proposed 2013 DSM financial incentive of \$24,137 to be included in the Company's CIP tracker account no sooner than the issue date of the Commission's *Order* in the present docket;
- 2) approve the Company's 2013 CIP tracker account, as provided in the Company's *Petition* and summarized in Table 1 above;
- 4) discontinue approving carrying charges for under or over recovered balances in Great Plains' CIP tracker account beginning in the month after the Commission issues its *Order* in this Docket;
- 5) in the event that the Commission continues to allow the application of carrying charges to the over and under recovery of CIP tracker accounts, disallow application of the carrying charge to the Company's financial incentive;
- 6) require Great Plains to provide revised CCRA calculations reflecting the Commission's *Order* in this matter; and
- 7) require Great Plains to include the following bill message in the billing month immediately following the date of the *Order* in the present docket:

Great Plains recovers the cost changes in its energy conservation programs from the base established in 2007 in Minnesota through a Conservation Cost Recovery Adjustment (CCRA) subject to MN Public Utilities Commission approval. A CCRA of \$[insert factor] per dk as shown in the Resource Adjustment above is effective. Learn more about reducing your energy use by visiting our website at [www.gpng.com](http://www.gpng.com) or calling us at 1-877-267-4764.

Sincerely,

/s/ MICHAEL ZAJICEK  
Rates Analyst

MNZ/lt

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Response Comments**

**Docket No. G004/M-14-358**

Dated this 29<sup>th</sup> day of August 2014

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street Bismarck, ND 585014092	Electronic Service	No	OFF_SL_14-358_M-14-358
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_14-358_M-14-358
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_14-358_M-14-358
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_14-358_M-14-358
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_14-358_M-14-358
Brian	Meloy	brian.meloy@stinsonleonard.com	Stinson, Leonard, Street LLP	150 S 5th St Ste 2300  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_14-358_M-14-358

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
George	Agriesti	gagriesti@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Julie Rae	Ambach	jambach@shakopeeutilities.com	Shakopee Public Utilities	255 Sarazin St  Shakopee, MN 55379	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Tom	Balster	tombalster@alliantenergy.com	Interstate Power & Light Company	PO Box 351 200 1st St SE Cedar Rapids, IA 524060351	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
William	Black	bblack@mmua.org	MMUA	Suite 400 3025 Harbor Lane North Plymouth, MN 554475142	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Christina	Brusven	cbrusven@fredlaw.com	Fredrikson Byron	200 S 6th St Ste 4000  Minneapolis, MN 554021425	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Gary	Connett	gconnett@grenergy.com	Great River Energy	12300 Elm Creek Blvd N  Maple Grove, MN 553694718	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
George	Crocker	gwillc@nawo.org	North American Water Office	PO Box 174  Lake Elmo, MN 55042	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Jill	Curran	jcurran@mncchamber.com	Minnesota Waste Wise	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave  Minneapolis, MN 55402	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Steve	Downer	sdowner@mmua.org	MMUA	3025 Harbor Ln N Ste 400  Plymouth, MN 554475142	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Chris	Duffrin	chrisd@thenec.org	Neighborhood Energy Connection	624 Selby Avenue  St. Paul, MN 55104	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Jim	Erchul		Daytons Bluff Neighborhood Housing Sv.	823 E 7th St  St. Paul, MN 55106	Paper Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Greg	Ernst	gaernst@q.com	G. A. Ernst & Associates, Inc.	2377 Union Lake Trl  Northfield, MN 55057	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Melissa S	Feine	melissa.feine@semcac.org	SEMCAC	PO Box 549 204 S Elm St Rushford, MN 55971	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Kelsey	Genung	kelsey.genung@xcelenergy.com	Xcel Energy	414 Nicollet Mall, Fl. 6  Minneapolis, MN 55401	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Angela E.	Gordon	angela.e.gordon@lmco.com	Lockheed Martin	1000 Clark Ave.  St. Louis, MO 63102	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Pat	Green	N/A	N Energy Dev	City Hall 401 E 21st St Hibbing, MN 55746	Paper Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Stephan	Gunn	sgunn@appliedenergygroup.com	Applied Energy Group	1941 Pike Ln  De Pere, WI 54115	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Tony	Hainault	anthony.hainault@co.henn epin.mn.us	Hennepin County DES	701 4th Ave S Ste 700  Minneapolis, MN 55415-1842	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Patty	Hanson	phanson@rpu.org	Rochester Public Utilities	4000 E River Rd NE  Rochester, MN 55906	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Norm	Harold	N/A	NKS Consulting	5591 E 180th St  Prior Lake, MN 55372	Paper Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Jared	Hendricks	hendricksj@owatonnautiliti es.com	Owatonna Public Utilities	PO Box 800 208 S Walnut Ave Owatonna, MN 55060-2940	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Holly	Hinman	holly.r.hinman@xcelenergy .com	Xcel Energy	414 Nicollet Mall, 7th Floor  Minneapolis, MN 55401	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Randy	Hoffman	rhoffman@eastriver.coop	East River Electric Power Coop	121 SE 1st St PO Box 227 Madison, SD 57042	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Karolanne	Hoffman	kmh@dairy.net.com	Dairyland Power Cooperative	PO Box 817  La Crosse, WI 54602-0817	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Tom	Holt	tholt@eastriver.coop	East River Electric Power Coop., Inc.	PO Box 227  Madison, SD 57042	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Michael	Hoy	mhoy@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024-9583	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Anne	Hunt	anne.hunt@ci.stpaul.mn.us	City of Saint Paul	390 City Hall 15 West Kellogg Boulevard  Saint Paul, MN 55102	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Eric	Jensen	ejensen@iwla.org	Izaak Walton League of America	Suite 202 1619 Dayton Avenue St. Paul, MN 55104	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Paula	Johnson	paulajohnson@alliantenergy.com	Alliant Energy-Interstate Power and Light Company	P.O. Box 351 200 First Street, SE Cedar Rapids, IA 524060351	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Dave	Johnson	dave.johnson@aeoa.org	Arrowhead Economic Opportunity Agency	702 3rd Ave S  Virginia, MN 55792	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Dave	Johnson	N/A	Community Action of Minneapolis	2104 Park Ave S  Minneapolis, MN 55404	Paper Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Joel	Johnson	joel@mrea.org	Minnesota Rural Electric Association	11640 73rd Ave N  Maple Grove, MN 55369	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Larry	Johnston	lw.johnston@smmpa.org	SMMPA	500 1st Ave SW  Rochester, MN 55902-3303	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Deborah	Knoll	dknoll@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Tina	Koecher	tkoecher@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Kelly	Lady	kellyl@austinutilities.com	Austin Utilities	400 4th St NE  Austin, MN 55912	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Martin	Lepak	N/A	Arrowhead Economic Opportunity	702 S 3rd Ave  Virginia, MN 55792	Paper Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Allan	Lian	alian@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Nick	Mark	nick.mark@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave  Minneapolis, MN 55402	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Scot	McClure	scotmcclure@alliantenergy.com	Interstate Power And Light Company	4902 N Biltmore Ln PO Box 77007 Madison, WI 537071007	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
John	McWilliams	jmm@dairy.net	Dairyland Power Cooperative	3200 East Ave SPO Box 817  La Crosse, WI 54601-7227	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Brian	Meloy	brian.meloy@stinsonleonard.com	Stinson, Leonard, Street LLP	150 S 5th St Ste 2300  Minneapolis, MN 55402	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Gary	Myers	garym@hpuc.com	Hibbing Public Utilities	1902 E 6th Ave  Hibbing, MN 55746	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Susan K	Nathan	snathan@appliedenergygroup.com	Applied Energy Group	2215 NE 107th Ter  Kansas City, MO 64155-8513	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Carl	Nelson	cnelson@mncee.org	Center for Energy and Environment	212 3rd Ave N Ste 560  Minneapolis, MN 55401	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Gary	Olson		Product Recovery, Inc.	2605 E Cliff Rd  Burnsville, MN 55337	Paper Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Kim	Pederson	kpederson@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Audrey	Peer	audrey.peer@centerpointenergy.com	CenterPoint Energy	800 Lasalle Avenue - 14th Floor  Minneapolis, Minnesota 55402	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Lisa	Pickard	lpickard@minnkota.com	Minnkota Power Cooperative	1822 Mill Rd PO Box 13200 Grand Forks, ND 582083200	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Bill	Poppert		Technology North	2433 Highwood Ave  St. Paul, MN 55119	Paper Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Cindy	Schweitzer Rott	cindy.schweitzer@clearesult.com	CLEARResult's	S12637A Merrilee Rd.  Spring Green, WI 53588	Electronic Service	No	SPL_SL__CIP SPECIAL SERVICE LIST
Tom	Smilanich		Passive Concepts	228 6th Ave N  South St. Paul, MN 55075	Paper Service	No	SPL_SL__CIP SPECIAL SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd  St. Paul, MN 55102	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Leo	Steidel	N/A	The Weidt Group	5800 Baker Rd  Minnetonka, MN 55345	Paper Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
John	Steinhoff		Resource Solutions, Inc.	318 Kensington Drive  Madison, WI 53704	Paper Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Richard	Szydlowski	rszydlowski@mncee.org	Center for Energy & Environment	212 3rd Ave N Ste 560  Minneapolis, MN 55401-1459	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Steve	Tomac	stomac@bepc.com	Basin Electric Power Cooperative	1717 E Interstate Ave  Bismarck, ND 58501	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Lisa	Wilson	lisa.wilson@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2  Superior, WI 54880	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company	200 First St SE  Cedar Rapids, IA 52401	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST